Modern management tools in the latest models of socio-economic development

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INTRODUCTION

Global problems, such as resource depletion, limited assimilation potential, quality deterioration of the environment, people's health, and changes in consumer values and preferences, factors that influence this, led to the formation of the latest models of social development. It determines a necessary formation of new management approaches, methods, and technologies at the macro, meso, and macro levels.

The development of the region, the sphere of activity, and the enterprise should be considered as the functioning of a complex socio-ecological-economic system, the basis of which is the optimization of the interrelationships of economic, social, technological, and natural processes in the surrounding environment. It requires a reorientation of economic thinking and the creation of fundamentally new mechanisms for the development of society, aimed not only at the creation of material goods but also at the preservation, protection, and reproduction of natural resources and conditions.

At the same time, the needed transition to sustainable development, the basics of a green economy, and an inclusive economy requires reviewing existing management tools, considering the business's environmental limiting factor and social responsibility.

The main tasks set by researchers are the development of theoretical, methodological, and applied aspects of management in the latest models of socio-economic development, such as knowledge economy, innovative, informational, digital economy; silver, inclusive economy; impression economy, behavioral economy; green, circular economy, blue growth economy.

Piotr Jarosh

CHAPTER 1

MODERN MANAGEMENT TOOLS
IN THE
KNOWLEDGE,
INNOVATION,
DIGITAL ECONOMY

1.1. IMPROVING THE FORMATION AND FUNCTIONING OF INNOVATIVE ECOSYSTEMS IN THE ERA OF GLOCALIZATION

The defining trends in today's societal development involve a shift from an industrial to a knowledge-based economy driven by intellectual assets and science-intensive technologies. Furthermore, these trends underscore the growing significance of innovation in addressing the complex challenges posed by glocalization.

The experience of highly developed countries around the world overwhelmingly demonstrates that a critical prerequisite for their successful advancement is the consolidation of efforts and resources from all stakeholders involved in the innovation process. This collective effort aims to generate scientific knowledge, leverage its applications, and transform it into tangible innovations. Collaboration within a networked environment, characterized by horizontal (non-hierarchical) connections between legally independent entities such as businesses, venture funds, universities, research institutions, and others, creates a conducive atmosphere for stimulating innovative activities across various levels.

In the current economic landscape, the ability of business entities to thrive is closely tied to their adoption of the Open Innovation 2.0 paradigm. This paradigm relies on a network-based model of innovation, which expands the roles of participants, strengthens the integration of science and business, and fosters a conducive environment for innovation creation and commercialization.

The increasing impact of globalization on one hand and the localization of innovative activities on the other, combined with the imperative to modernize Ukraine's economy, necessitates a deeper exploration of innovative ecosystems at various levels through network interactions, taking into account contemporary global trends.

Contemporary scientific literature dedicated to innovation development extensively examines various aspects of activating innovative processes at the state, regional, and enterprise levels. Renowned scholars like T. Vlasenko, L. Volosheniuk, N. Hornostai, H. Lanovska, O. Marchenko, O. Mikhalchenkova, J. Moore, I. Pidorycheva, O. Poberezhets, A. Rakytska, L. Tesheva, L. Fedulova, among others, have made significant contributions.

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However, despite the notable progress made by these scholars, several challenges concerning the creation of a conducive environment for activating innovative processes through network interactions remain inadequately explored. Given that the ecosystem approach to activating innovative processes is still in its nascent stages, further research in this field is both justified and necessary.

The primary aim of this research is to elucidate the essence and intricacies surrounding the formation and operation of innovative ecosystems in the context of glocalization.

Over the past quarter-century, there has been a notable transformation in the way both theorists and practitioners perceive the innovation process and its model. Whereas it was previously characterized by linearity, closed systems, static structures, and a limited number of participants, today it is increasingly viewed through the lens of network dynamics. This contemporary perspective emphasizes nonlinearity, dynamism, openness, and the active involvement of a diverse array of innovative actors. In essence, the innovation process has become inherently interactive, with innovations emerging as a result of extensive interactions among numerous organizations and institutions operating in a coordinated, dialogic, and feedback-rich network mechanism.

This evolution in the institutional environment for innovation, changes in the roles and composition of innovation participants, and the accelerated pace of innovative product development all highlight the growing importance of creating an enabling environment for the transition to an innovative model of societal development.

In recent years, the concept of an "innovative ecosystem" has gained prominence in developed countries worldwide, drawing a parallel between natural (biological) ecosystems and innovation systems. This concept owes much to the foundational ideas introduced by M. Rothschild in his work "Bionomics: The Economy as an Ecosystem" (Rothschild, 1990). It explores the possibility of applying biological principles to understand the workings of economic systems, employing general systems theory to examine innovative development in various territorial contexts, and advocating for the consolidation of efforts among innovative stakeholders (innovators, implementers, and investors) to achieve synergistic effects.

At its core, the innovative ecosystem concept posits that just as a living organism’s survival in nature depends on its genetics and interactions with predators and prey, an enterprise’s successful development in the economy relies on its stakeholders and its capacity to integrate innovation into its operations.

According to J. Moore, no business entity operates in a vacuum; rather, it functions within a specific environment, which includes consumers, suppliers, intermediaries, government institutions, and other interested parties. These entities form a complex web of symbiotic relationships, working together to achieve success in the market (Moore, 1996).

In essence, the innovation ecosystem seeks to mimic the relationships within a natural ecosystem, developing through the interactions of its constituent parts, their adaptation to each other, and to the operating environment. However, it primarily reflects the economic dynamics, encompassing the flow of capital and other economic resources. This dynamic enables the consolidation of efforts among innovation stakeholders to generate innovative ideas, transform them into tangible innovations, and commercialize these innovations, all with the goal of achieving a synergistic effect.

In recent years, the term "innovation ecosystem" has gained substantial prominence. However, within the realm of innovation studies, there is a notable lack of a universally accepted definition. Upon a review of various scholarly works, it becomes apparent that several distinct approaches contribute to understanding the concept, including network, institutional, spatial, synergistic, and partnership perspectives.

For instance, I. Pidorycheva examines the innovative ecosystem through a network approach. She envisions it as an open, dynamic network comprised of a spatial community of organizations and individuals, united by stable interconnections, each bringing unique competencies and roles. This network co-evolves within a specific institutional environment, influenced by business, regulatory, and innovative factors. Participants exchange knowledge and resources, distribute obligations, risks, and benefits, ultimately producing innovations of interest to consumers (Pidorycheva, 2021).

L. Fedulova and O. Marchenko, on the other hand, view the innovative ecosystem through an institutional lens. They perceive it as an amalgamation of organizational, structural, and functional components (institutions) and their relationships that engage in creating and applying scientific knowledge and technologies. These components define the legal, economic, organizational, and social conditions of the innovation process, fostering innovative activities at the enterprise, regional, and national levels in line with principles of self-organization (Fedulova and Marchenko, 2015).

Meanwhile, T. Vlasenko and L. Tesheva adopt a spatial perspective when defining the essence of the innovation ecosystem. They describe it as a specific space where various agents interact throughout the complete innovation cycle, from idea generation to commercialization. This interaction encompasses complex financial, information, communication, organizational, personnel, and ideological support, creating a conducive environment for both state and non-state agents to collaborate, co-evolve, co-specialize, and co-produce (4K) (Vlasenko and Tesheva, 2020).

H. Lanovska, following a synergistic approach, characterizes the innovation ecosystem as a synergy of state, business, and research environments, enabled by the use of organizational, regulatory, educational, methodological, and financial resources. This synergy incorporates a knowledge transfer mechanism aimed at transforming ideas into innovative products (Lanovska, 2017).

On the macro level, O. Poberezhets and A. Rakytska propose perceiving the innovation ecosystem as a synergistic partnership and collaboration involving science, education, and business. This institutionally coordinated mechanism spans the entire innovation cycle, from knowledge generation and transfer to commercialization, effectively driving neo-industrial development within the national economy and its integration into the European sphere (Poberezhets and Rakytska, 2022).

A group of Ukrainian scientists accentuates that the term "innovation ecosystem" serves to describe "a broad and diverse array of participants and resources essential for sustaining continuous innovation in the modern economy" [8, p. 4]. They emphasize that at the core of such interaction lies the movement of capital and other economic resources, with the ultimate goal of propelling technological development, production, and the dissemination of innovations (Volosheniuk et al., 2020).

Nevertheless, despite the various approaches to defining the essence of the innovation ecosystem, most scholars concur that its foundation lies in the collaborative efforts of diverse innovation process participants, including universities, private enterprises, venture funds, and potential consumers. Their collective goal is to convert scientific knowledge into practical innovations. They argue that the amalgamation of efforts and economic resources within a specific networked environment, characterized by horizontal, non-hierarchical connections among legally independent participants, is pivotal to the creation and dissemination of knowledge streams, and their subsequent transformation into innovations that address societal needs.

This form of interaction is underpinned by principles such as shared goals and interests, mutually beneficial cooperation, adaptability and flexibility to respond to market dynamics and emerging challenges resulting from glocalization processes, openness in decision-making and collective involvement in the development, production, and commercialization of innovations.

An analysis and synthesis of contemporary approaches to interpreting the essence of the "innovation ecosystem" concept have allowed us to delineate its key attributes:

– high self-organization: the system's ability to establish and maintain order without a clearly defined leader;

– emergence: the presence of properties within the system that is not inherent to its individual components (cooperation among these components yields results that they cannot achieve independently);

– coevolution: the development of complementary features in interconnected elements;

– adaptability: the capacity to adjust to external environmental changes through internal transformations; decentralization: balancing interests and the prevalence of horizontal, non-linear connections within the system;

– openness: the unrestricted entry of all interested participants with innovative ideas into the system;

– multiplicity: each element within the system possesses unique properties and a distinct state that differs from those of other elements;

– coordination: the synchronization of actions to achieve a collective outcome through cooperation;

– active communication: ongoing interaction among system participants and with the external environment.

It is important to recognize that the innovative ecosystem displays internal dynamism and evolves due to a combination of internal and external factors. Within this ecosystem, participants pool their resources, exchange fresh knowledge, and collaborate in the execution of specific innovative projects, guided by both formal and informal agreements (referred to as the "rules of the game"). By leveraging their complementary resources and competencies, they collectively and individually achieve their goals, creating value that would be unattainable for any of them working in isolation. Strengthened interaction among these participants contributes to the accumulation of innovation potential and activation of innovative processes.

In the current landscape, innovative ecosystems should be perceived not as static entities but as dynamic processes. They represent a form of network structures geared towards generating shared value among integration participants through co-evolutionary partnerships. This approach aims to enhance the efficiency of innovation process implementation.

In light of this perspective, it is not feasible to implement rigid regulations or detailed plans for the development of an innovative ecosystem in the short term. The primary principle of their operations is the ability to quickly react to changes in both their internal and external environments.

Our research findings underscore the universal nature of innovative ecosystems while revealing several distinct approaches to their formation. These approaches include the alliance, structural, network, and platform models, each deserving closer examination.

The alliance approach centers on uniting innovation process participants around a key company with the objective of creating a unique offering for consumers or clients, a feat unachievable by any one of them independently. In this scenario, the value of their collaboration far surpasses what they could generate individually. The foundation of this interaction rests on stable connections among partners, underpinned by shared strategies, a common identity, and joint commitments. This approach underscores the importance of participants' shared interests and the development of stable bonds during their interactions in achieving an innovative ecosystem.

The structural approach entails the collaboration of innovation process participants around a value proposition, which serves as a promised benefit. Simultaneously, this arrangement forms a partnership circle where interaction is essential to bring the value proposition to fruition. This approach also defines the overarching direction of the innovation ecosystem. Its core structural elements encompass:

– activities: these are the actions necessary to create the value proposition;

– actors: these are the key players engaged in innovative activities;

– positions: this refers to each actor's role in the process of creating the value proposition;

– connections: these represent the flows of information, financial resources, materials, and other resources exchanged between the actors.

It's noteworthy that the operational lifespan of such innovative ecosystems is inherently tied to the duration of value proposition (project idea) implementation around which they are organized.

The network approach centers on the creation of a networked space and a novel organizational coherence. It achieves this by establishing enduring connections among organizations and individual participants in the innovation process, stemming from their shared vision of desired transformations. This approach fosters a conducive environment for innovation development, implementation, production, and commercialization. Collaboration holds particular significance in this approach, embodying an interactive, networked form of cooperation among participants in the innovation process. It transpires when independent, interested organizations exchange knowledge and resources to address complex challenges or pursue shared objectives.

The platform approach, conversely, seeks to unite participants in the innovation process to address common issues or achieve shared goals on designated platforms that serve as organizational mechanisms for consolidating the efforts of various stakeholders. In essence, these platforms establish a virtual infrastructure and set the ground rules for participants. Their primary aim is to facilitate connections between participants involved in generating innovative ideas, creating innovations, and overseeing their implementation. This, in turn, contributes to the creation of value for all involved parties.

In general, regardless of the approach chosen by innovation process participants to collaborate on developing, implementing, producing, and commercializing innovations, several fundamental principles underlie the formation of innovation ecosystems: voluntariness: participation in the innovative network is a voluntary choice made by its members; unity in various spheres: a unified approach across various domains, including legal, economic, goals, and strategy, while preserving economic and legal autonomy; definition of participant roles: clarification of each participant's role, significance, and position within the future network; activity structuring and duty division: effective cooperation necessitates well-defined activities and the division of responsibilities to avoid duplication; coordination mechanisms: implementation of mechanisms for coordinating and synchronizing actions among innovation network participants, often formalized through partnership agreements that establish common goals and cooperative efforts over an extended period; equality and equal resource access: ensuring all participants have equal standing and access to resources; high degree of self-organization: the system’s ability to maintain order and function without rigid leadership; focus on co-creation of unique value: emphasis on the collaborative creation of distinctive products and values.

The primary focus lies in establishing a robust value creation chain, which entails identifying suitable partners, and securing mutually beneficial contracts, rather than striving for dominance in the field of innovative developments.

For an extended period, theorists and practitioners predominantly adhered to the notion that the key to activating innovation processes rested in the collaboration of three institutional sectors: science, business, and the state, operating on the principles of the "triple spiral" model. This model, grounded in the intersection of these sectors, provided the foundation for generating conditions conducive to the creation and dissemination of knowledge, their transformation into innovation, and the subsequent distribution of innovation. This interplay formed an effective mechanism for the self-development of complex nonlinear systems.

However, in recent years, as relationships among innovation process participants grew more intricate, the role of non-economic factors in driving economic growth strengthened. This was accompanied by the active implementation of the smart specialization program in EU countries, the increasing influence of civil society, and advancements in information and communication technologies. Consequently, there arose a need to incorporate the fourth player into innovation development strategies: civil society, which is represented by the fusion of social and informational capital.

This shift led to the evolution from the concept of the "triple spiral of innovations" to the "four-link spiral." In this model, innovation consumers emerged as a crucial system-forming element. They not only generate demand for innovative products but also contribute to the creation of innovative ideas, the development of new knowledge, and the promotion of innovations. In return, the three principal institutional sectors, particularly business, science, and the state, support citizens in their innovative pursuits by providing tools, information, platforms for innovation development, and more.

The components of the four-link spiral of innovation evolve through co-evolution, which not only alters their structure but also reshapes the connections between them. The impossibility of isolated innovation creation, production, and commercialization, combined with evolutionary changes in the interactions of each innovation process participant, results in the formation of an integrated innovation ecosystem. This ecosystem operates on the principles of competitive partnership and co-evolution, serving as the foundation for transformative changes within the context of the spiral. Continuous interaction among science, business, the state, and civil society generates new knowledge, which is disseminated through a shared communication network. This network imparts a certain coherence and dynamic stability to the system. The more developed the partnership environment becomes, particularly under the influence of civil society, the greater the innovation potential and opportunities for growth.

The network interaction transcends the exchange of ideas and knowledge, encompassing the search for commercial partners, customers, and investors. This not only accelerates innovation creation and production but also intensifies the process of its implementation, ensuring guaranteed product sales.

In essence, effective network interaction presupposes the establishment of stable relationships among participants in innovative activities, where informal ties complement formal ones. All participants are treated as equals. Various types of connections emerge, including economic, legal, administrative, technological, social, and informational links.

Simultaneously, as previously discussed, the process of creating, producing, and commercializing innovations is shaped by two distinct trends. On one hand, we witness the intensifying globalization of the knowledge economy. This is characterized by increased international technical collaboration in scientific research, the global utilization of technologies originating from individual nations, and the unhindered exchange of scientific and technical knowledge across national boundaries. On the other hand, the significance of local factors and the spatial proximity of innovation process participants are undeniable.

The latter is rooted in the fact that every participant in the innovation process possesses not only explicit knowledge but also implicit knowledge that cannot be formalized or conveyed through communication networks. This implicit knowledge can only be transmitted through learning, personal experience, direct observation, and, ultimately, close interaction. Importantly, the efficacy of this transfer depends not only on the geographic proximity of the parties involved but also on the degree of similarity in their knowledge, the level of trust between them, shared institutions, compatibility of technologies, and more (Buniak, 2019).

Considering these complexities, it becomes clear that adopting a multi-level approach to building innovative ecosystems is essential. Furthermore, there is a need to shift the focus of innovation development from the national level to the regional (local) level. Recognizing that most contemporary innovation processes are global in nature and transpire beyond specific territories, regional innovation ecosystems should be integrated into the global landscape through various channels of knowledge and technology dissemination, production, and capitalization.

F. Cook's assertion that understanding innovation processes and policies requires a continual consideration of the interactions between local participants and global players is astute (Cooke, 2005).

The regional innovation ecosystem thrives on interaction with the external environment through global research networks, facilitating knowledge sharing and training, and global production networks, which attract investments to the region and open up markets for local enterprises.

In the era of glocalization, it's apparent that the successful development of regional innovation ecosystems hinges on the complementarity of their resources with global trends, conditions, and methods of interaction in the realms of knowledge creation, transformation, transfer, and utilization. Synergistic effects manifest when all elements operate in harmony and ensure sustainable development.

Today, despite the presence of some successful experiences in establishing innovative ecosystems at various levels in developed countries, there exists no comprehensive blueprint for their creation and effective operation. Each ecosystem boasts unique characteristics and capabilities. Essential prerequisites for forming such ecosystems include the presence of scientific potential, a demand for research and development outcomes, a conducive institutional environment, and a favorable reception of innovations by civil society.

The shift of emphasis toward regional innovation development within the context of glocalization is driven by the imperative to overcome historically established specializations, often centered on raw materials. This necessitates structural and technological modernization to enhance competitive advantages.

To this end, in the EU countries it is proposed to use smart specialization as the most effective tool for accelerating the pace of innovative development, which involves focusing efforts on the development and implementation of innovations in the most priority activities in accordance with the needs of business, while avoiding fragmentation and duplication of efforts.

Smart specialization is formed on the regional specifics, existing potential, involves focusing resources on competitive activities that will allow the region to strengthen its competitive position in global markets for goods and services.

It should be emphasized that the development and implementation of the smart specialization strategy of the region in the context of ensuring its innovative development should be carried out jointly by all stakeholders of this process - the scientific expert community, business, and authorities with the involvement of representatives of civil society. Only under this condition, it is possible to guarantee the receipt of the desired results by each of them.

In general, the implementation of the main idea of the concept of smart specialization into practice contributes to the effective synergistic use of financial and entrepreneurial resources, the growth of the innovative potential of the region, and the strengthening of its competitive advantages at the international level. The main thing is to focus on his unique competencies and resources.

In modern conditions of glocalization, when developing regional strategies for innovative development, it is necessary to take into account not only existing opportunities and strengths, but also social processes that take place both at the national and international levels. This is because innovations are often implemented not only on the territory of one country, but also on international markets, that is, they become global.

The development of effective innovation ecosystems necessitates the collective efforts of multiple participants in the innovation process. Market instruments alone are insufficient to provide this coordination. It is essential to have both state bodies and civil society come together and establish an appropriate coordinating body, equipped with the requisite authority. This coordinating body should undertake several key functions:

– establishment of an efficient system for providing advisory services to startup companies, including guidance on marketing, legal protection, resource provisioning, financial planning, and more;

– development and implementation of organizational and economic mechanisms aimed at strengthening collaboration among participants in the innovation process;

– formation of a financial support system for small innovative enterprises during the pre-investment stage; development of mechanisms to incentivize the engagement of university employees in startup creation;

– ensuring harmonious relationships among individual participants within the innovation ecosystem; promotion of technology transfer and commercialization of innovations;

– regulation of conflicts of interest and contradictions among the participants in the innovation process;

– attraction of private investors.

In general, the effective functioning of national, regional, and corporate innovation ecosystems, which would secure long-term innovative development for a country and enhance its competitive advantages in international markets for high-tech products, hinges on several factors:

– leveraging synergistic effects through interactions between the state, science, business, and civil society;

– ensuring transparency of scientific, scientific-technical and innovation policies for all participants in the innovation process;

– creating favorable conditions for the emergence and commercial implementation of scientific research results;

– developing horizontal connections among participants in the innovation process to reduce costs and enhance trust levels;

– establishing a unified information and communication environment.

– encouraging collaboration among independent business entities, including suppliers, competitors, buyers, and more.

Therefore, the conducted research signifies the culmination of an extensive review of the collective body of work by both Ukrainian and international scientists and practitioners in the realm of defining the essence of the innovative ecosystem, along with its formation and operational features. A comprehensive analysis of the term "innovation ecosystem" has revealed its fundamental attributes, demonstrating that the synergy of efforts and resources among regional-level participants in the innovation process, coupled with the continuous evolution of their relationships, underpins the ongoing creation of novel knowledge. This knowledge is then transformed into innovation, meeting the societal demands and thereby contributing to innovative development.

The employment of various methods from both general scientific and specialized research fields has facilitated the exploration of approaches to building innovative ecosystems and understanding their operational dynamics within the context of glocalization.

Future research prospects include the formulation of strategies for smart specialization within Ukraine's regions, considering the broader context of constructing the national innovation ecosystem.

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1.2. CREATIVE MANAGEMENT AS A TOOL FOR THE DEVELOPMENT OF INNOVATIVE ECONOMY

The contemporary business landscape demands a departure from conventional management approaches across various sectors, with a heightened emphasis on fostering creativity, particularly within cultural institutions. The creative type of organization development necessitates the implementation of specialized principles encompassing the construction of a management system, setting goals, functions, methods, and organizational structure. Such an approach creates an environment that fuels innovation within cultural institutions.The main goal of innovation is to create and strengthen the competitive advantages of the institution, its popularity, increase in visitors, and profit growth. Effective creative management enables an institution to form a positive image and increase its competitiveness.

Nevertheless, there is a lack of comprehensive methodological approaches for dissecting individual components and evaluating the efficacy of an enterprise's creative management system designed to foster innovation.

Many scholars have devoted their research to this issue. They are engaged in the interpretation of the essence of creative management: T.V. Bozhydarnik, V.Ia. Brych, A.M. Valiukh, N.M. Vasylyk, D.K. Zinkevych, M.M. Korman, T.O. Kobielieva, O.Ie. Kuzmin, S.V. Kniaz, I.V. Lytvyn, V.P. Okorskyi, O.P. Pashchenko, P.H. Pererva, O.I. Prodius, I.I. Svydruk, A.M. Chushak-Holoborodko, H.O. Shvets and others.

The purpose of the study is to examine the theoretical and methodological aspects and develop applied aspects of the formation of a creative management system as an instrument of the innovation economy.

Creative management, as an independent field of knowledge, delves into theoretical and practical aspects of organizational innovation through a creative approach, with the aim of enhancing the generation of new ideas and knowledge – the bedrock of innovation.

As an independent field of knowledge, creative management is a scientific discipline that explores the theoretical patterns and applied aspects of innovative activities of organizations based on a creative approach to improve the efficiency of creating new ideas and knowledge that are the basis of innovation.

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As an applied activity, creative management is a system of certain management measures aimed at maximizing the mobilization of the creative potential of employees and creating new competitive ideas that can be used in the innovative activities of cultural institutions (Dovhan, L.Ie., Sytnyk, N.I., 2014).

Creative management can be viewed from the standpoint of systemic, functional, situational, behavioral and administrative approaches (Brych, V.Ya., Korman, M.M., 2018, Kuzmin, O.Ie., Zinkevych, D.K., Chushak-Holoborodko, A.M., 2011, Pererva, P.H., Kobielieva, T.O., 2019), but we should agree with some authors who believe that creative management is gaining practical importance from the standpoint of systemic and functional approaches.

Bozhydarnik T.V., Vasylyk N.M. propose to understand creative management as a special purposeful management activity aimed at activating the creative activity of employees to generate creative ideas, their evaluation and selection in order to formulate effective creative innovative solutions. Such solutions provide cultural institutions with innovative development and high economic, social and environmental results (Bozhydarnik, T.V., Vasylyk, N.M., 2014).

The author Pashchenko O.P. complements creative management with a point that defines it as one of the functions of management, that is, the organization's managers should create comfortable working conditions, a favorable moral and psychological climate in the team, the development of fair material motivation, the development and development of a creative corporate culture so that staff can apply a creative approach to performing tasks and offer innovative approaches to creating a cultural product (Pashchenko, O.P., 2017).

Scholars in the West highlight the relationship between creative management and innovation management. The subject of innovation management is innovation, ways of generating innovative ideas, and stages of organizing innovation activities. It can be argued that both areas have a common subject of study. The approaches and management tools differ.

Innovation management focuses on the external environment, general conditions for development, and obstacles that may arise when implementing innovations. Creative management explores the internal environment, but innovation is an integral element of it (Mylko, I.P., 2019, Pererva, P.H., Kobielieva, T.O., 2019).

In our study, we propose to apply a systematic approach to the formation of a system of creative management of cultural institutions. Therefore, we will focus on the components of the creative management system.

We agree with scientists (Pashchenko, O.P., 2017) who believe that the creative management system should consist of the following components:

1) subjects of creative management – the head and staff of a cultural institution;

2) setting goals in the creative management system;

3) specifying the goals, defining the tasks of the creative management system;

4) development of principles according to which the creative management system should function;

5) ways and methods of implementing the set tasks in the creative management system;

6) determination of criteria and indicators that will allow to determine the effectiveness of the creative management system.

According to the functional approach, the system of creative management can be represented as the interaction of subjects and objects; the allocation of functions in the system – planning, organizing, motivating, controlling, evaluating; methods for their implementation (Shvets, H.O., 2020).

To evaluate the effectiveness of the creative management system of a cultural institution, it is necessary to calculate and analyze the following indicators in the dynamics: coefficient of coherence of goals, coefficient of goal realization, coefficient of frequency of goal updating, coefficient of education of subjects, coefficient of productivity of subjects, coefficient of discipline of subjects, coefficient of implementation of creative ideas, coefficient of intensity of the creative decision-making process, coefficient of rationality of creative decisions, coefficient of completeness of information support (Zinkevych, D.K., 2010, Shvets, H.O., 2020).

We have chosen the definitions of the concept of «creative management» that scientists use in the scientific literature (see Table 1).

It is worth noting that building a creative management system is a prerequisite for survival in the competitive environment of any organization, as creating a favorable environment for the emergence of creative ideas is the task of every manager.

The process of implementing a creative management system in modern cultural institutions can be structured as a sequence of actions. The content of these actions is shown in Fig. 1 (Zinkevych, D.K., 2010).

As can be seen from Fig. 1, the main result of the creative management system process is creative ideas and solutions. These solutions are realized in the form of innovative cultural products, processes and management methods.

Table 1

Exploring the Definition of «Creative Management» in Scientific Literature

Authors	Definition of the concept
Bozhydarnik T.V., Vasylyk N.M. (Bozhydarnik, T.V., Vasylyk, N.M., 2014)	Creative management is a special management activity aimed at activating the creative activity of employees in generating creative ideas, evaluating and selecting them in order to formulate effective creative solutions, the implementation of which will ensure the company's innovative development and obtaining high economic, social and environmental results
Vartanova, O.V. (Vartanova, O.V., Shester, I.V., 2018)	Creative management is the management of the carriers of the intellectual potential of the enterprise, who create new knowledge through creative activity. Creative management is based on modern technologies of creativity management and teamwork
Doroshenko, O.S. (Doroshenko, O.S., 2014)	Creative management is, on the one hand, a full cycle of knowledge management (formation, formalization, storage, dissemination, coordination and control) for the production of intellectual products, and on the other hand, a new type of innovation management based on qualitative changes in key strategic functions for building tangible and intangible assets with global socially significant and accessible human capital
Zinkevych, D.K., Kuzmin, O.Ie., Zinkevych, D.K., Chushak-Holoborodko, (Zinkevych, D.K., 2010, Kuzmin, O.Ie., 2011)	Creative management should be interpreted as a subsystem of innovation management, which involves ensuring the ability of management entities to put forward and develop new ideas that take the form of scientific or technological information
Lytvyn, I.V. (Kuzmin, O.Ie., Kniaz, S.V., Lytvyn, I.V., Zinkevych, D.K., 2010)	Creative management should be viewed as an influence on creative workers in order to generate, search, develop, combine commercial ideas, evaluate and select them in order to implement innovative development and achieve the company's goals and mission.
Mamford M. (Hrabovska, I.V., 2018, Shvets, H.O., 2020)	Creative management is the management of the carriers of the intellectual potential of the enterprise, who create new knowledge through creative activity
Okorskyi, V.P., Valiukh, A.M. (Okorskyi, V.P., Valiukh, A.M., 2017)	Creative management is a complex mechanism of interaction between the managing and managed systems to create favorable conditions and opportunities for creative development and achieve effective organizational performance.
Pashchenko, O.P. (Pashchenko, O.P., 2017)	Creative management is one of the functions of management, i.e., managers of organizations should create comfortable working conditions, a favorable moral and psychological climate in the team so that staff can apply a creative approach to performing tasks
Prodius, O.I. (Prodius, O.I., 2012)	Creative management is a set of managerial relations between managers and subordinates regarding the definition of goals for finding and implementing creative ideas related to solving production and economic problems and overcoming their consequences
Svydruk, I.I. (Svydruk, I.I., 2012)	Creative management at an enterprise is a special organizational and managerial activity aimed at obtaining high economic, social, and environmental results by activating creative activity for the implementation of innovations. It determines the composition of methods for activating creative potential and their most rational sequence
Fanhky Siu Tiudor Rikards (Hrabovska, I.V., 2018, Shvets, H.O., 2020)	Creative management is a theory and practice of management based on the theory of creative processes and their implementation at the personal, group, organizational and global levels

*Formed by the author

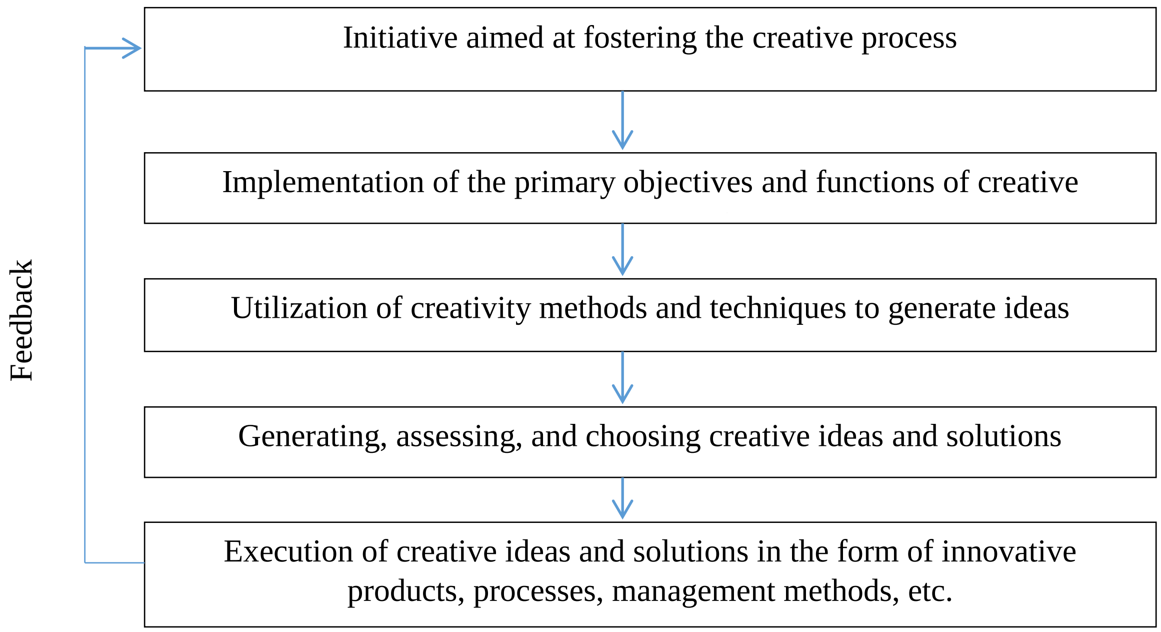

Fig. 1. The process of implementing creative management in cultural institutions*

*Formed by the author based on (Zinkevych, D.K., 2010)

As part of the creative management system, the development of creative ideas involves the following stages.

Stage 1. Identification of a non-standard situation that requires an immediate and creative solution. The solution goes through the following stages: problem emergence, problem diagnosis, information search, and information requirements.

Stage 2. Studying the problem – conducting research, collecting information, setting clear criteria. A creative idea must meet the criteria.

Stage 3. Development and selection of a creative idea. It is necessary to create conditions for changing the standard way of thinking to a non-standard way of thinking, generating ideas, accumulating ideas, critically analyzing ideas, logically justifying ideas, determining the reality of ideas, among other possibilities.

Stage 4. Planning of the innovation, discussion of the creative idea, approval of the idea, execution and issuance of an order for its implementation, determination of the role of each performer in the overall system of idea implementation.

Stage 5. Implementation of the creative idea, control over the implementation of the creative idea, evaluation of the effectiveness of the creative idea, regular analysis of achievements and successes (Brych, V.Ya., Korman, M.M., 2018).

The process of generating innovative ideas in the creative management system has the following characteristics:

– originality – seeking innovative and non-standard solutions to problems.

– elasticity – being sensitive and adaptable to changing conditions through the use of new methods.

– independence – the ability to self-motivate and self-develop.

– productivity – the ability to generate a maximum number of innovative ideas and ways of solving specific problems.

– accuracy – the ability to create and improve innovative cultural products.

– predictability – the ability to predict the reaction and effectiveness of innovative cultural products (Hanaba, S.O., 2021).

Considering creative management as an element of the management system of a modern enterprise, it is primarily related to the problems of personnel management. Therefore, the creative management system is defined as the management of group creative processes. The purpose of such management is to find innovative solutions.

Scientists studying the creative management system emphasize three components of creativity and innovation:

– creative component, which is the ability to create fundamentally new forms or a new combination of already known elements;

– fundamentally innovative nature of ideas. The idea should contribute to fundamental changes in the market;

– result-oriented – the growth of economic efficiency of a cultural institution, the optimal ratio of the costs of implementing the idea and the profit received (Burachek, I.V., Zakapko, O.I., Yarmoliuk, D.I., 2020).

We can agree with the scholars and consider the following definition to be appropriate: a creative management system is a set of interrelated elements that create conditions for purposeful management activities to enhance the creative activity of employees, generate innovative ideas, evaluate and select creative ideas, and formulate effective creative solutions, the implementation of which will ensure innovative development and high economic, social and environmental results for the institution.

In general, the management system of cultural institutions includes the following structural elements: cultural and artistic activities of institutions that produce cultural products; institutional network that includes cultural organizations, cultural and educational institutions, creative associations that operate professionally and on an amateur basis (Hrushyna, A.I., 2018).

The creative management system includes principles, methods, techniques, and practices that help to assess and manage the creativity of employees. Creativity provides a competitive advantage for cultural institutions.

For cultural institutions, creativity is an important and necessary characteristic, a factor of successful functioning in the cultural services market. Creativity is a synthesis of principles, concepts and approaches of creativity and management. This property makes it possible to open up new opportunities for the creative potential of the staff of cultural institutions, to create innovative ideas and implement them (Bortnikova, M.H., Krokhmalna, Ya.O., 2022).

A creative management system consists of specific elements. Elements of the managed management subsystem that generate creative ideas. After analyzing them, the managers of the creative management system make creative decisions. Fig. 2 shows the components of the creative management system in a cultural institution.

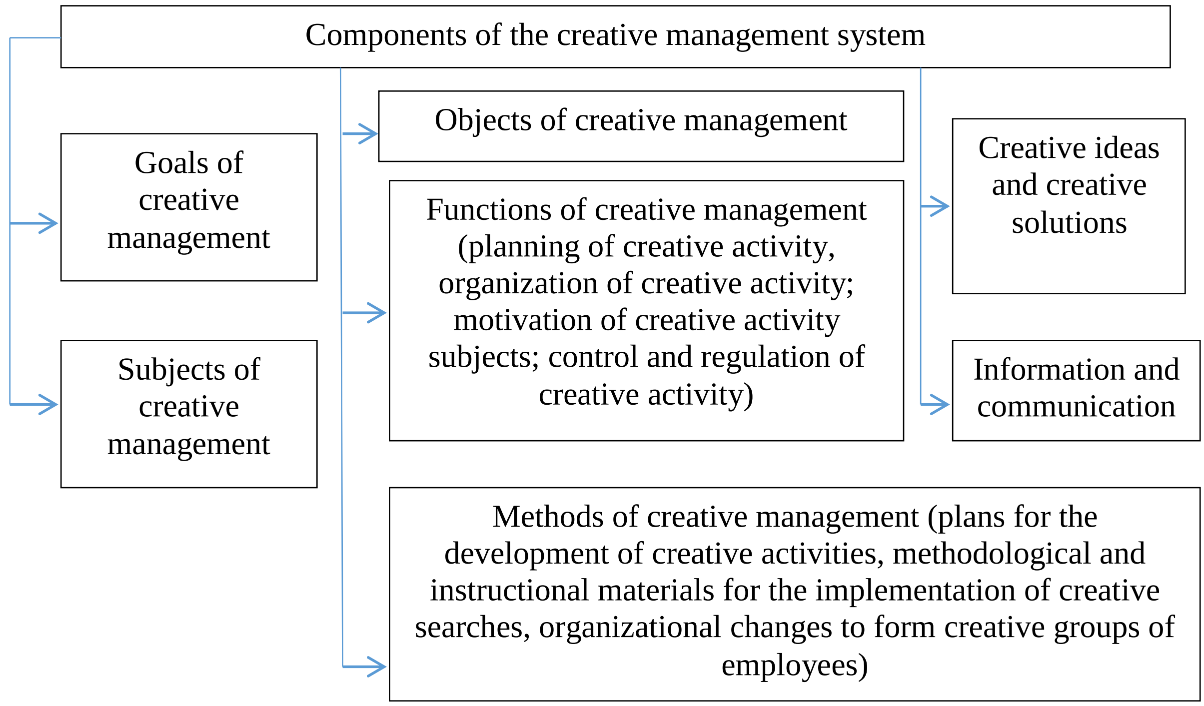

Fig. 2. Components of the creative management system in a cultural institution
*Formed by the author based on (Okorskyi, V.P., Valiukh, A.M., 2017)

Creativity is at the heart of the management system of a cultural institution, so it is also an object of creative management. The emergence of creative ideas for the creation or improvement of a cultural product should be grouped into a group of creative management objects. These include: creative research, improvement of a tested sample of a cultural product, expansion of cultural products created by a cultural institution.

The constituent elements of the creative management system are:

1) goals of creative management;
2) subjects and objects, methods of creative management
3) creative management technologies;

4) creative ideas and creative solutions;

5) information and communication (see Fig. 3) (Kuzmin, O.Ie., Kniaz, S.V., Lytvyn, I.V., Zinkevych, D.K., 2010, Okorskyi, V.P., Valiukh, A.M., 2017).

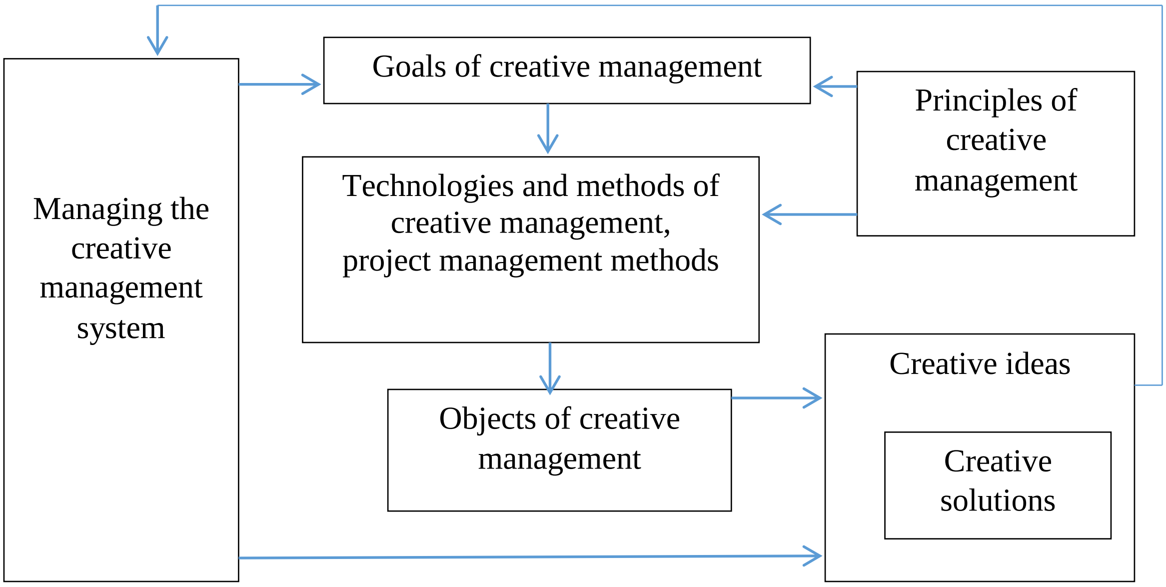

Fig. 3. Interaction of the components of the creative management system

*Formed by the author based on (Kuzmin, O.Ie., Kniaz, S.V., Lytvyn, I.V., Zinkevych, D.K., 2010)

The goals of the creative management system in cultural institutions should be: formation of a strategic policy for the creation of a creative organization; setting strategic, long-term and short-term goals of creative activity; creating and maintaining a creative atmosphere in the team; development of the creative potential of the organization's employees; formation and development of the potential of a creative manager; creation of effective creative teams; ensuring the ability of all employees of the organization to come up with creative ideas; creating opportunities for the use of various methods and techniques of creativity in the organization for generating, evaluating and selecting creative ideas; stimulating the creative activity of personnel in the organization (Bozhydarnik, T.V., Vasylyk, N.M., 2014, Brych, V.Ya., Korman, M.M., 2018).

The principles of forming a creative management system include:

1) innovation, focus on market needs, tracking changes in the needs and tastes of potential consumers;

2) stimulating the creation of innovative cultural products;

3) continuous self-improvement;

4) readiness for changes in the internal and external environment;

5) emphasis on the strategy of development and use of the latest resources;

6) focus on the uniqueness and originality of the cultural product;

7) effective motivation for the realization and development of creative potential.

The general functions in the creative management system are planning, organizing, motivating, controlling and regulating.

The main groups of creative management methods are economic, administrative and socio-psychological methods.

The model four P of Jane Henry can be used in the creative management system.

1. Positivity – constant desire to see problems as new opportunities. The ability to recover quickly from setbacks, to perceive criticism as an impetus for improvement.
2. Playfulness – the use of childlike traits of one's personality: a desire to take risks, a playful approach to problem solving, flexibility of thinking and action. Includes the ability to think, to boldly propose new ideas.
3. Passion – a strong desire to achieve goals.
4. Persistence – working to achieve goals until the result is obtained (Okorskyi, V.P., Valiukh, A.M., 2017).

The fundamental principle of the model is to find a balance between the four P's. This means that it is not always good to have the maximum score of 10/10 (ten points out of ten) for all four elements.

The main conditions that stimulate the development of creative abilities and are necessary for effective management:

– openness in the team, especially in communication with management;
– encouraging additional questions when solving tasks;
– focusing on one's own feelings, observations, generalizations, and ideas (Brych, V.Ya., Korman, M.M., 2018).

Project activity in the field of culture is an organizational and managerial activity of cultural policy actors, the essence of which is to develop a system of measures to effectively address cultural problems with a certain time frame.

Project activities are based on certain mechanisms, which are represented by project stages:

1) analytical (analyzing the situation within a specific problem);

2) concept development (the hierarchy of objectives of the task is determined);

3) selection of project implementation methods (effective tools are selected to be used in project implementation activities);

4) specification of the action plan (activities are identified and a plan for their implementation is drawn up);

5) project budgeting;

6) identification of project implementation efficiency criteria, expected indicators, and methods of their evaluation (Prysiazhniuk, O.F., Plotnikova, M.F. Murenko, S.O., 2022).

The following advantages of the project method can be distinguished: result-oriented activities, which provide for the use of personal resources, etc. beyond the work schedule to obtain a result.

The effective functioning of the creative management system is possible only if there is a creative leader or a manager with creative abilities.

The main characteristics of a creative leader: preference for those goals that are perceived with enthusiasm by employees, the ability to define such goals; strategic thinking, ability to predict and assess situations; the leader is a conductor of concepts; the leader is sensitive to ideas and is able to implement them in the organization.

The leader's concepts receive support and resources necessary for their implementation; convincing demonstration of the principle «every failure is an opportunity to learn something», encouraging risky initiatives; ability to identify problems in advance, at the nascent stage; creating a team with a high level of trust in each other; giving employees permission to engage in other activities, facilitating the implementation of risky projects; the ability to make risky decisions in any situation and take responsibility for the result; ability to draw correct conclusions in the face of a lack of information; developed psychological self-regulation that determines the attitude to problems and their assessment; the ability to perceive, understand, accept and use points of view that differ from one's own or even oppose them; the ability to quickly rebuild psychology in the face of changing conditions of activity or transition to fundamentally new tasks; the ability to lead covertly, involving people in activities on an informal basis; mastery of the leadership style from «advisor» to «hero»; a creative leader has the ability to change the leadership style, move from one to another leadership style and maintain the trust of subordinates (Pashchenko, O.P., 2017).

A critical focus of this study is the imperative to construct a comprehensive methodology for analyzing the components of the creative management system and evaluating the effectiveness of its functioning. The subjects of evaluation include: the degree of realization of goals, consistency of goals, frequency of updating goals, level of education of the subjects involved in the generation and development of creative ideas, level of productivity of the process of generating and developing creative ideas, level of discipline of the subjects of the creative management system, intensity of the process of generating and presenting ideas, level of implementation of creative ideas, level of rationality of creative decisions, completeness of information support for managers in the creative management system (Bozhydarnik, T.V., Vasylyk, N.M., 2014, Shvets, H.O., 2020).

Table 2 presents the coefficients that can be used to assess the components of the creative management system of a cultural institution.

Table 2

Indicators for assessing the components of the creative management system of a cultural institution

Components of the creative management system	Indicators for evaluation
Goals of creative management	Coefficient of coherence of goals in the creative management system
	The coefficient of goals realization in the creative management system
	The coefficient of the frequency of updating goals in the creative management system
Subjects of creative management	The coefficient of education of subjects in the system of creative management
	Coefficient of productivity of subjects in the system of creative management
	Coefficient of discipline of subjects in the system of creative management
Creative ideas and solutions	Coefficient of realization of creative ideas
	Coefficient of intensity of the creative decision-making process
	Coefficient of rationality of creative decisions
	Coefficient of completeness of information support of management subjects in creative management
Information and communications	Coefficient of communication development in the creative management system

*Formed by the author based on (Bozhydarnik, T.V., Vasylyk, N.M., 2014, Kuzmin, O.Ie., Horiachka, O.O., 2011)

Key metrics that define the enterprise's creative management system include:

1. The coefficient of coherence of goals in the creative management system (the ratio of the number of contradictory goals to the total number of goals set).

2. The coefficient of realization of goals in the creative management system (the ratio of the number of realized goals to the total number of set goals).

3. The frequency of goal updating in the creative management system (the ratio of the number of goals that are recognized as irrelevant and eliminated or replaced by other goals to the total number of goals set).

4. The coefficient of education of subjects in the creative management system (the ratio of the number of employees with complete higher education to the total number of employees involved in the accumulation and development of creative ideas).

5. Productivity coefficient of actors in the creative management system (the ratio of the number of creative ideas put forward to the duration of the analyzed period).

6. The coefficient of discipline of subjects in the creative management system (the ratio of the number of violators of labor discipline involved in the accumulation and development of creative ideas to the total number of employees who violate labor discipline at the enterprise).

7. Creative ideas implementation rate (the ratio of the number of implemented creative ideas to the total number of creative ideas put forward).

8. Intensity coefficient of the creative decision-making process (the ratio of the number of creative decisions made to the duration of the period during which creative decisions were developed).

9. The coefficient of rationality of creative decisions (the ratio of the number of creative decisions, from the implementation of which the expected effects were obtained, to the total number of creative decisions made).

10. The coefficient of completeness of information provision of management subjects in creative management (the ratio of the number of actually used sources and methods of obtaining information to the total number of possible sources and methods of obtaining information).

11. The coefficient of development of communications in the system of creative management (the ratio of the number of actually used sources and methods of obtaining information to the total number of possible sources and methods of obtaining information) (Bozhydarnik, T.V., Vasylyk, N.M., 2014, Zinkevych, D.K., 2010, Kuzmin, O.Ie., Horiachka, O.O., 2011, Shvets, H.O., 2020).

When developing a set of criteria for evaluating the effectiveness of the creative management system, it is essential to consider the unique attributes of cultural institutions.

Cultural institutions are characterized by the following features, which are manifested through the tasks assigned to them:

1) implementation of the state policy in the sphere of culture, protection of cultural heritage, state language policy;

2) ensuring free development of cultural processes, accessibility of all types of cultural services and cultural activities for every citizen of Ukraine;

3) promoting the revival and development of traditions and culture of the Ukrainian nation, ethnic, cultural and linguistic identity;

4) protection of the rights of professional artists and their unions, social protection of employees of cultural institutions and protection of cultural heritage, as

well as consumers of cultural products, and establishment of control over their quality;

5) general national cultural unification of society, formation of an integral cultural information space, protection and promotion of a quality cultural product;

6) participation in the development and implementation of state and regional programs for the development of culture, protection of cultural heritage, and state language policy (Holovchenko, M.F., 2014).

For cultural institutions, the problem of efficiency is associated with the difficulty of measuring the final result of activities, because the criteria of material production efficiency are not suitable for this area. The researchers take into account the tasks set for cultural institutions and propose an algorithm for forming a list of criteria for assessing the effectiveness of the creative management system of cultural institutions (Fig. 4) (Holovchenko, O.M., Stepanenko O.A., Holovchenko, M.F., 2017).

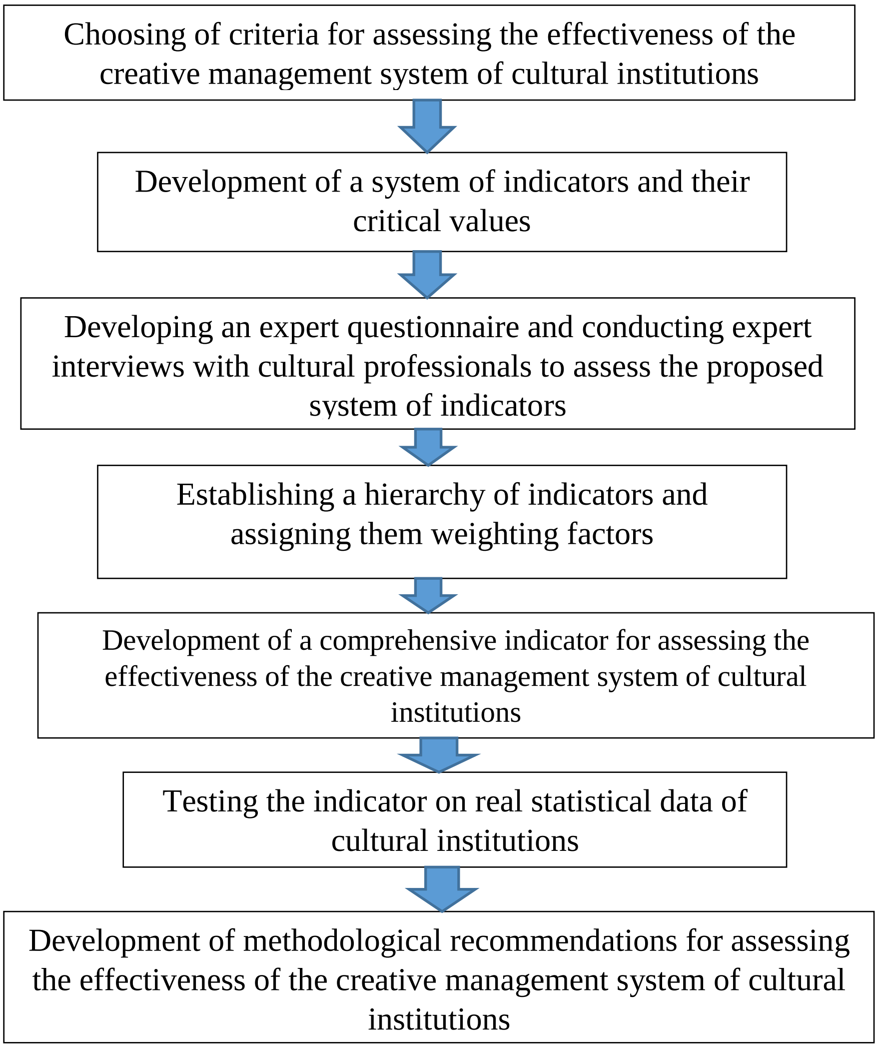

Fig. 4. Algorithm for forming a list of criteria for assessing the effectiveness of the creative management system of cultural institutions

*Formed by the author based on (Holovchenko, O.M., Stepanenko O.A., Holovchenko, M.F., 2017)

In the proposed list, we should consider such an indicator as the amount of free time spent by the consumer of a cultural product to improve their cultural level. The consumer improves with the help of a specific cultural institution where he or she spent free time.

Table 3 shows the effectiveness of creative management system tools for cultural institutions.

Table 3

Effectiveness of creative management system tools for cultural institutions

Creative management tools	Results of using the tools
Cultivating skills to perform tasks with the least amount of resources.	Increasing the efficiency of the institution, improving socio-economic indicators.
The ability to compose a third extraordinary object from two ordinary ones (the Centaur idea).	Creating an innovative product, improving creation processes.
Personalization of authorship in target audiences over a long period of time.	Fulfillment of the need for self-realization through recognition, increased self-motivation, and non-material motivation.
Reflection of individual emotions in external realities.	Ensuring meaningful work, a sense of «family unity» with all team members.
Evaluation by reputable competent services.	Continuous improvement of staff professionalism; formation of a positive corporate image.

*Formed by the author based on (Zakharchyn, H.M., Liubomudrova, N.P., Vynnychuk, R.O., Smolinska, N.V., 2011, Pashchenko, O.P., 2017)

Efficiency relies on the depth of analysis within the management process. When evalueting effectiveness of the management system of cultural institutions, we should differentiate between three levels:

1) the level of cultural activity within the population that is realized in cultural institutions;

2) the level of activity of institutions in organizing cultural activities of the population

3) the level of management within cultural institutions.

A comparative assessment of different methods of evaluating the effectiveness of cultural institutions involves developing a list of criteria according to which the comparison is made. Such criteria may include:

– normativity of the methodology for its recognition by state authorities of cultural institutions as a way to assess the effectiveness of cultural institutions;

– possibility of practical use of the methodology;

– universality of the methodology for application to different types of cultural institutions;

– formalization of the methodology for a detailed description of the procedure for its use and obtaining the initial data;

– accessibility of the initial data in terms of cost and timing of their receipt;

– the possibility of obtaining quantitative assessments of effectiveness for a comparative analysis of the activities of different cultural institutions;

– effectiveness as the ability of the methodology to evaluate the process of cultural institutions' activities.

The following methods can be used to assess the effectiveness of the creative management system.

1. Methods for assessing the effectiveness of project implementation based on unbalanced indicators – Project Management Institute, PMI.

2. Methods of balancing indicators and comprehensive performance evaluation focused on taking into account the completeness of meeting public needs for cultural services – Balanced Scorecard (BSC), a system of information analysis for management decision-making; Common Assessment Framework (CAF).

Methods for assessing the effectiveness of project implementation based on unbalanced indicators. The project management methodology is developed and supported by the Project Management Institute (PMI).

A project is a temporary organization designed to create unique products, services or results. The temporary nature of a project means that any project has a definite beginning and end. Completion occurs when the project objectives are achieved; or it is recognized that the project objectives will not or cannot be achieved; or the need for the project has disappeared. The epithet «temporary» does not necessarily imply a short duration of the project and usually does not refer to the product, service or result created during the project.

Most projects aim to produce sustainable, long-lasting results. The results of the application of the methods are reflected in numerical form, usually as a percentage of the achievement of the planned indicators or the achieved share of facilities with the specified indicators in the total number of facilities (although other numerical indicators are also used, for example, «the average price of one visit to a paid event for the reporting year») (Lanova, O.M., 2014).

Project effectiveness means a property of a project that characterizes its suitability to produce the required results (effects) in the course of its implementation and/or upon its completion. The project efficiency is assessed by comparing the actual values of indicators from the list of indicators defined as basic at project initiation with their benchmark values that should be achieved under the terms of the project by the relevant time in the future (by the end of the project as a whole or one of its milestones).

Balancing indicators and comprehensive performance assessment methods focus on addressing the completeness of fulfilling public needs for cultural services. The most well-known methods of this group are the Balanced Scorecard (BSC) (Lanova, O.M., 2014), a system for analyzing information for management decision-making, and the Common Assessment Framework (CAF), a model for evaluating management in organizations financed from the state or municipal budget.

The model of the Common Assessment Framework (CAF) (Lanova, O.M., 2014) is a simple tool that helps public sector organizations apply quality management methods to improve their performance. It is intended for use in all organizations financed from budgets of different levels: federal, regional, and local.

Objectives of the CAF model:

– introducing quality management principles into the field of administrative management and promoting their deployment;

– providing a mechanism for self-assessment of the organization in order to diagnose and improve its activities;

– ensuring interconnection between different models of quality management;

– exchange of experience between public sector organizations and study of best practices. In contrast to the project approach, BSC and CAF are positioned as full-fledged universal methodologies.

Both methods are well-documented and come with formal descriptions. However, it's important to note that the CAF methodology is focused on analyzing the effectiveness of organizations financed from the budget. The methodology offers deterministic in terms of describing the number and list of required indicators, and allows for adaptation to specific user requirements (Lanova, O.M., 2014).

Table 4 offers directions for assessing the effectiveness of the creative management system of a cultural institution. When assessing performance, the economic, organizational and social efficiency of cultural institutions' management is distinguished.

The economic efficiency of management reflects the degree of use of material, financial, labor, natural and other resources; provision of services of the appropriate value at the lowest cost. It is expressed by indicators of economic performance: profitability of cultural institutions, fixed assets, current assets, volume of services provided, profit, return on investment, labor intensity, financial leverage ratio, depreciation of fixed assets, liquidity level, risk level.

Table 4

Directions for assessing the effectiveness of the creative management system of a cultural institution

Component of the creative management system	Directions for evaluating the effectiveness of the creative management system
Production	Efficiency of the use of labor means; efficiency of equipment use, efficiency of service delivery technology, efficiency of resource management, efficiency of rhythm and uniformity, efficiency of capacity, efficiency of planning, efficiency of strategic and operational control.
Labor	The effectiveness of a favorable moral and psychological climate, the effectiveness of the management apparatus, the effectiveness of a cohesive workforce, the effectiveness of communication processes, the effectiveness of labor utilization, the effectiveness of operational and strategic control in the field of personnel.
Organizational	Efficiency of implementation of innovation and investment projects, efficiency of commercial projects, efficiency of implemented business plans, efficiency of implemented development projects, efficiency of operational and strategic controlling.
Financial	Budgeting efficiency, liquidity efficiency, financial stability efficiency, business activity efficiency, efficiency of assets and liabilities use, efficiency of equity and borrowed capital use, operating activity efficiency, efficiency of operational financial control, efficiency of strategic financial control.
Market	Competitiveness, efficiency of product supply and demand, efficiency of marketing research, efficiency of marketing communications, analysis of product policy, analysis of distribution policy, efficiency of operational marketing control, analysis of product sales, efficiency of strategic marketing control, efficiency of strategic marketing control, analysis of pricing policy

*Formed by the author based on (Pashchenko, O.P., Vaskivskyi, O.P., Kulish, N., 2020)

Organizational management effectiveness characterizes the quality of the institution's organizational structure; the quality of its management system; the management system's response to conflicts, stresses, organizational changes; and the quality of management decisions made and implemented. This type of efficiency is assessed by indicators of the level of centralization of management functions, the ratio of the number of management employees between different levels of management, and the proportion of managers in the total number of management staff.

Social management efficiency reflects various aspects: compliance of costs and social results of the institution's activities with the goals and social interests of society; influence on the processes of formation of professional characteristics and qualities of employees and managers; formation of corporate spirit and appropriate psychological climate in the team; atmosphere of security and involvement in the organization's goals; result of the impact of economic measures on the formation of professional life and experience of employees.

Social efficiency of management can be assessed by the following groups of indicators:

– indicators reflecting the socio-cultural sphere of the institution's activity (level of working conditions, level of labor discipline, level of personnel stability, level of social insurance, dynamics of wage growth, absence of threat of losing a job);

– indicators reflecting the degree of achievement of production and economic results and satisfaction of the basic requirements of market functioning (labor productivity, level of customer satisfaction, number of timely customer orders).

All types of efficiency are interconnected and interdependent: an increase in economic efficiency contributes to the growth of other types of efficiency; social efficiency combines the properties of economic and organizational efficiency and is aimed at fully meeting the needs of employees.

It is also worth noting that the final result of any type of management effectiveness of a cultural institution directly or indirectly depends on the change of many factors.

The main factors that influence the effectiveness of the institution's management are

– observance of the interconnection of interests of all participants of economic activity: owners, managers, employees, suppliers;

– qualification qualities of managers and employees of the institution, their potential, professionalism, experience, knowledge and personal qualities;

– availability of a system of labor organization, training and staff motivation in the institution aimed at achieving high final results;

– development of the material and technical base, technical equipment of the institution;

– level of information provision, effective communications; development of organizational culture;

– manifestation of social aspects of staff activities, social and psychological climate in the team (Pashchenko, O.P., Vaskivskyi, O.P., Kulish, N., 2020, Pererva, P.H., Kobielieva, T.O., 2019).

The development of a list of criteria for analyzing and evaluating the creative management system of cultural institutions requires further research.

In summary, creative management is an environment where innovative ideas are generated, and contributes to the improvement and development of a cultural product. Creativity should be a characteristic feature of every cultural institution, as it is a factor of survival in a competitive environment.

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1.3. DIGITAL MARKETING: THEORETICAL BASICS AND DEVELOPMENT REQUIREMENTS

The digital transformation of the economy involves a change in the management model and the introduction of digital technologies in the sphere of economic activity, traditional markets, social relations, and public administration. The formation of more effective economic processes, the use of digital models and tools, which change the main sources of income and the structure of the economy, is taking place. Digital marketing, which is a component of electronic business, is based on information and communication and digital technologies, is characterized by active development, changes traditional management methods, and forms new market needs and business models.

The impact of digital business goes beyond traditional functions and business processes, includes the digitization of products and services and related information, extends the scope of the organization and its existing functions, goes beyond its boundaries and transforms the supply chain into a dynamic ecosystem. The digital world is characterized by the following ways of increasing the effect of scale: the ability to dynamically and flexibly change, network effects from the use of multi-vector digital platforms, the use of diverse, distributed information from different sources. Speed in the context of digital marketing is considered in four dimensions: the speed of product introduction, the speed of decision-making, the speed of coordination and regulation of the supply chain, the speed of forming a network of relationships and its adaptation (Lipych L., 2023).

With the development of modern methods of marketing communications and the use of digital technologies and electronic devices, digital marketing is constantly developing and expanding the scope of its use. Information and digital technologies are also rapidly developing, including network technologies, digital television and radio, mobile communication technologies, geolocation technologies, technologies transmission of multimedia data, etc. Social media, which are based on Internet technologies, are also actively developing.

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Around the world, the Internet continues to change the way we communicate with others, organize the flow of things, and exchange information. With its growing influence on both individual consumers and larger economies, the Internet has become an essential part of our daily lives. In 2023, the number of Internet users worldwide was estimated to be 5.18 billion, which means that about two-thirds of the world's population is now connected to the World Wide Web.

Connecting billions of people around the world, the Internet is the backbone of today's information society. In 2023, Northern Europe ranked first among the regions of the world in terms of the share of the population that uses the Internet. In Norway, Saudi Arabia and the United Arab Emirates, 99 percent of the population used the Internet as of April 2023. North Korea has the worst internet usage among the general population, ranking last in the world. Asia has the highest number of online users worldwide, with over 2.93 billion in 2022. Europe came in second with approximately 750 million Internet users. China, India and the USA are ahead of other countries in the world in terms of the number of Internet users.

As of 2022, the share of female Internet users worldwide was 63 percent, 6 percent less than males. The gender disparity in Internet use was greater in the Arab states and Africa, at about ten percent. As of 2022, global internet usage was highest among 15- to 24-year-olds in all regions, with young people in Europe having the highest internet penetration (98 percent in 2022). By comparison, the global average for the 15-24 age group was 75 percent. Income levels in countries are also an important factor in Internet access. 92 percent of the population in high-income countries used the Internet, compared to only 26 percent of the population in low-income countries.

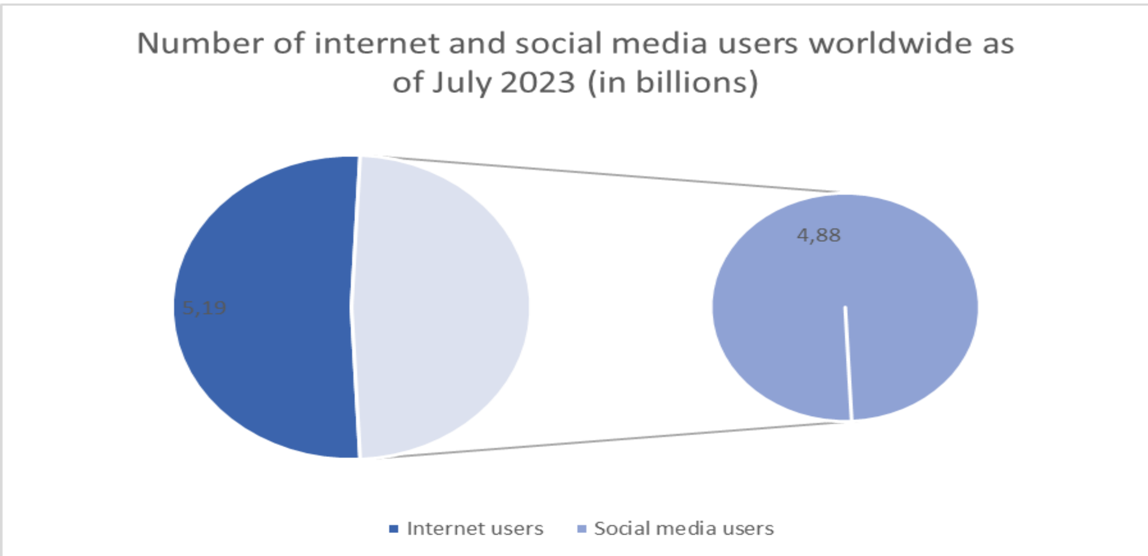

Fig.1. Worldwide digital population 2023*

*Compiled by the author based by The Statistical Portal, 2023

As of July 2023, 64.5 percent of the world's population had access to the Internet. In recent years, this number has increased significantly: in 2018, only 53 percent of the global population used the Internet. As of June 2023, the number of Internet users worldwide was about 5.19 million.

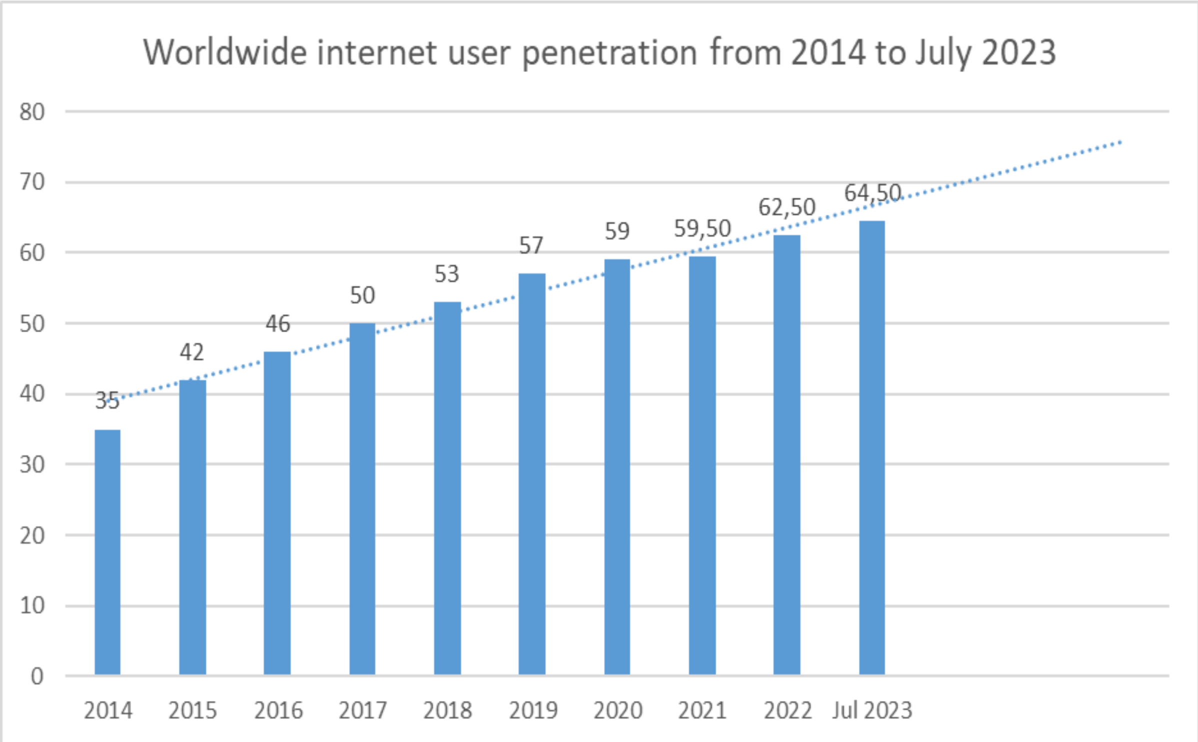

Fig. 2. Global internet user penetration 2014-2023, %*

*Compiled by the author based by The Statistical Portal, 2023

Despite the turbulent events on a global scale in 2022, e-commerce still holds the largest share of the digital economy (over 67%). The structure of the main markets of the digital economy by revenue in 2022 is shown in Figure 3.

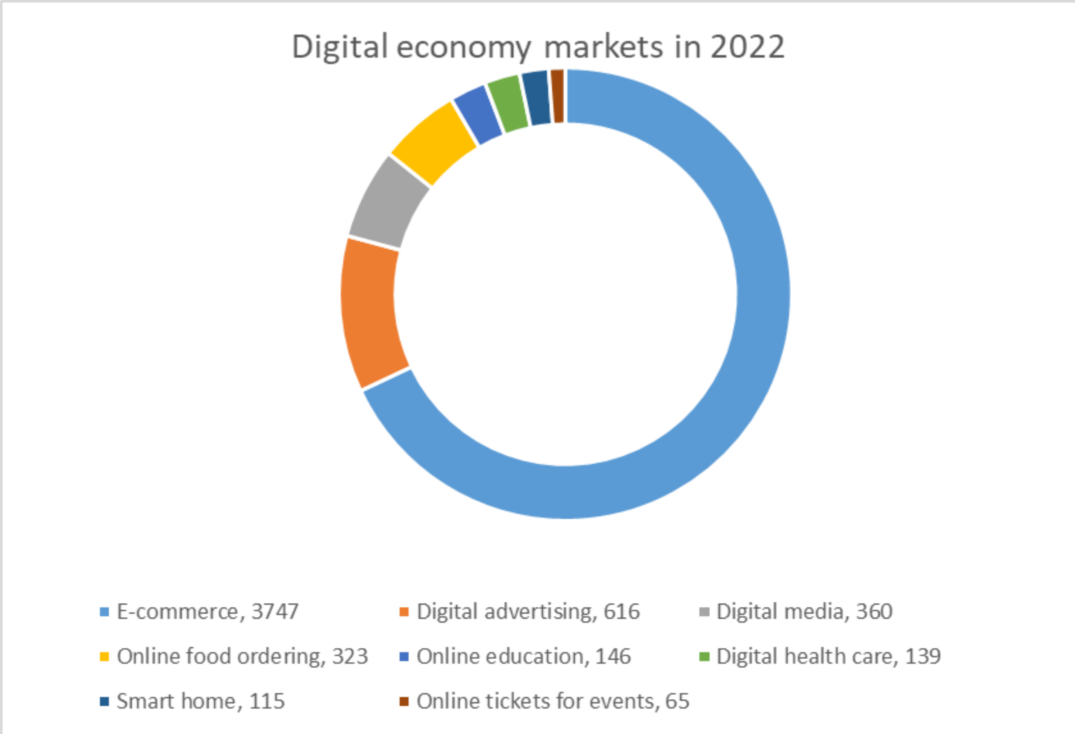

Fig. 3. Revenue of individual digital economy markets in 2022, billions of US dollars*

*Compiled by the author based by Digital Economy Compass, 2022

Digital advertising in the structure of the economy occupies 11%. Its share is growing every year. The marketing and advertising sectors have always fed each other. Market analysis shows that the global advertising industry will grow by 5.3 percent in 2023, demonstrating resilience despite the current economic slowdown. As of 2022, companies spent 9.5 percent of their revenue on marketing, almost as close to pre-pandemic spending levels.

In 2022, global digital retail media ad spending was estimated at US$111 billion. (The Statistical Portal, 2023). For years, Amazon has been the undisputed market leader, accounting for roughly a third of global advertising revenue. However, numerous retailers around the world have also started using their platforms to generate advertising revenue.

Internet advertising spending has already overtaken other media, leaving even television advertising behind. According to market forecasts, the Internet will continue to increase its share of investment, a trend that will be reinforced by changes in consumer behavior after the coronavirus pandemic.

Daily online use plays an important role in the daily lives of consumers around the world. The Internet has changed the way people interact and reshaped traditional means of communication such as film, television, music and the telephone. The advent of new digital technologies and websites has accelerated forms of human interaction through online forums, instant messaging, and social networking. The development of social media has changed the perception of online communication and the division into personal and public online space. The proliferation of Internet features such as digital music and video, user-generated content, and digital media sales has caused significant changes in traditional media consumption. The internet has also had an irreversible impact on retail.

The scientific understanding of digital marketing is based on a process approach, which is based on the peculiarities of the methods and tools used (table 1)

Table 1

Approaches to interpreting the concept of «digital marketing»*

The author	Interpretation
Gumenna O. V., 2016	Digital marketing is a modern tool for promoting a product, trademark or brand using all digital channels (television, Internet, radio, mobile phones, etc.)
Karpishchenko O., Loginova Yu., 2012	Digital marketing is the use of all possible forms of digital channels to popularize the institution and its products and services
Oklander M. A., Romanenko O. O., 2015	Digital marketing is a type of marketing activity that enables targeted interaction with target market segments in a virtual and real environment through digital channels using digital methods. Digital marketing is the entire complex of marketing activities in the modern world. That is, it is modern marketing, which is characterized by duality due to its hybrid nature: some functions are performed online, and some - in an offline environment
Polyakh S. S., 2020	Digital marketing is a business philosophy, strategy and tactic based on a complex system of organizing the creation and sale of goods and services, focused on meeting the needs of specific consumers and making a profit based on the use of all possible forms of digital channels, communication networks, including GSM, GPS, GPRS, Bluetooth, Wi-Fi and Internet
Ruban V. V., 2017	Digital marketing is a means of communication between an enterprise and the market using digital channels of product promotion for effective interaction with potential or real consumers in a virtual and real environment
Sohetska A. V., 2020	Digital marketing is one of the components of modern marketing, which involves the use of the entire range of existing digital technologies to promote goods and services on the market in order to achieve business goals (satisfying consumer needs, increasing competitiveness, obtaining higher financial results, forming the basis for future financial growth, etc.)
Wenger E. I., 2017	Digital marketing is a set of digital technologies that are used to promote the company and attract consumers

*Compiled by the author

A comprehensive review of the aspects of understanding the "digital marketing" category made it possible to single out the following characteristic features:

- a comprehensive approach to the promotion of the company, its products and services in the digital environment, including offline consumers, as well as using games, mobile phones and other digital means of communication;
- integration of more different technologies (social, mobile, web, CRM systems, etc.) with sales and customer service;
- ensuring constant high-quality two-way communication between the advertiser and the end user of the product or service;
- an optimal combination of technologies and human resources with the right balance in view of the needs of the target audience and the features of the offered product;
- rapid dynamics of growth and achievement of marketing goals;
- organization of constant and high-quality mutual communication between the advertiser and the final recipient of the product or service;
- the ability to adapt to the market, evaluate and analyze the results of an advertising campaign, quickly respond to consumer needs and improve a product or service.

Therefore, Digital marketing is a type of marketing activity that involves the use of various forms of digital channels to interact with consumers and promote the brand (Hrytsyuk N. O. Ivashko O. A., Sak T. V., 2022).

Digital channels can include the Internet, local networks, mobile communications, interactive screens, special applications, and social networks. Digital marketing can be used in the online mode through the use of the Internet, as well as in the offline environment through the use of digital applications in phones, tablets, SMS and MMS, advertising displays (Sak T., 2023).

Integrated marketing communications are an integral part of the modern complex of the enterprise's marketing activities. Digital marketing and its tools are aimed at engaging all possible digital channels to promote a product. It is due to digital technologies that digital marketing effectively affects the business environment.

Digital marketing involves the application of a set of methods and tools that use digital information technologies to achieve the goals of the enterprise's marketing activities. Digital marketing, as well as other marketing methods, is aimed at promoting products and increasing their sales by attracting and retaining customers (Ruban V.V., 2017).

Digital marketing is a general term for the marketing of goods and services that uses digital channels to attract and retain customers. Often this concept is equated with Internet marketing. However, digital marketing includes internet marketing but is not limited to the internet. Digital marketing is broader than Internet marketing on:

– new possibilities of mobile communication: text messages (SMS), automatic voice menu (IVR), multimedia messages (MMS), local radio communication (Bluetooth), wireless data transfer protocol (WAP), mobicode – a combination of numbers that gives the ability to make payments or receive discounts, QR code, technologies Click To, Flash SMS, Location Based Services (LBS) - technologies for convenient download of software products;

– new possibilities of television: technology of augmented reality (Augmented Reality);

– new possibilities of interactive screens: 3D-projections (3D-mapping) – the technology of projecting an image onto an object in the environment;

– new possibilities of POS terminals, video cameras: biometric technologies – technology of automated identification of consumers based on physiological or behavioral characteristics. Appropriate cameras make it possible to carry out marketing research on the attitude to the product or advertising messages in the form of observations of demographic and behavioral characteristics of consumers;

– new e-mail capabilities: sending electronic advertising messages to mobile devices in the form of sms, push messages, i.e. telephone marketing is combined with postal mailing.

The advantages of digital marketing include:

- interactivity – active involvement of consumers in interaction with the brand;
- absence of territorial restrictions during the implementation of marketing ideas;
- ease of access to the resource (web and wap resources);
- active involvement of the target audience;
- the possibility of operational assessment of enterprise measures and management of events in real time (Iatsiuk D. V., 2015).

Digital marketing is focused on the formation of long-term relationships with target consumers through the integrated action of both online and offline communication channels (social networks, mobile applications, YouTube, Facebook, Instagram, Twitter, LinkedIn, street displays, digital television, POS materials with a QR code etc). It is characterized by a high level of trust on the part of users and has extremely high indicators of media resonance of events, which is extremely important in conditions of significant reputational risks (Fuentes C., Sörum N., 2019).

Digital marketing is best used for market and target audience analysis, competitive analysis, and promotion (position in search engines, online events, email marketing, work with own channels, interactive mechanics (game, application, augmented reality, etc.).

Today, almost any enterprise, regardless of the field of activity and target audience, uses promotion using such digital marketing methods as search engine optimization, content marketing, social media marketing, e-mail marketing and digital advertising (in software, games , contextual advertising, etc.).

Using digital devices as transmitters of information, the enterprise has the possibility of constant access to the target audience and active communication with it. Digital marketing tools are all methods, ways, measures and tools that help to inform a wide audience, draw the attention of potential customers to a service, brand, product or enterprise. Usually, several tools are used at the same time, which makes it possible to reach almost the entire target audience and achieve high promotion efficiency. Tools are chosen depending on the goals of the company's marketing activities, the characteristics of the target audience, and much more (Holliman G., Rowley J., 2017).

The main tools of digital marketing include the following:

- SEO-promotion, which consists in raising the advertiser's site in relation to the issuance of requests as a result of search engine optimization and other works;
- contextual advertising;
- banner advertising – placement of graphic banners offering a product (service) on thematic resources;
- native advertising includes the publication on various resources of reviews, expert opinions and other materials that encourage the purchase of goods (services);
- advertising windows – a method of Internet advertising, which consists in displaying pop-up advertising windows on thematic sites;
- QR codes in offline are a method used to motivate the installation of the application or the use of other digital products;
- Big Data technology – data arrays of large volumes;
- targeted advertising and retargeting;
- SMS mailings – sending advertising messages to various subscribers of cellular operators with the advertiser's offer;
- viral advertising, which is the creation of multimedia content with provocative content.
- RTB (real time bidding) – bidding in real time (Dereviyanchenko T., Benivska I., 2020).

In digital marketing, other tools based on digital technologies can be used: from sending ringtones to e-mail, used to keep subscribers on the line, to advertising offers when programs are installed. Such traditional means as flyers or newspapers, if they have a QR code, can also be called digital marketing tools.

Promotion involving the use of digital technologies is carried out by using the following resources:

- paid resources – platforms that are paid for by customer enterprises. It can be a digital banner, contextual advertising, etc.;

- own resources - sites that the company can use for free (for example, pages in social networks);

- earned resources - communication channels acquired by the enterprise as a result of the work carried out (for example, users who spread a viral video).

So, the main tools of digital marketing include: creating a WEB site, distributing information through social networks, e-mail distribution (direct mail marketing), webinars, blogs, banner advertising, contextual advertising, games, quests, surveys, interactive flyers, augmented reality, video services, interactive surfaces, animations, etc.

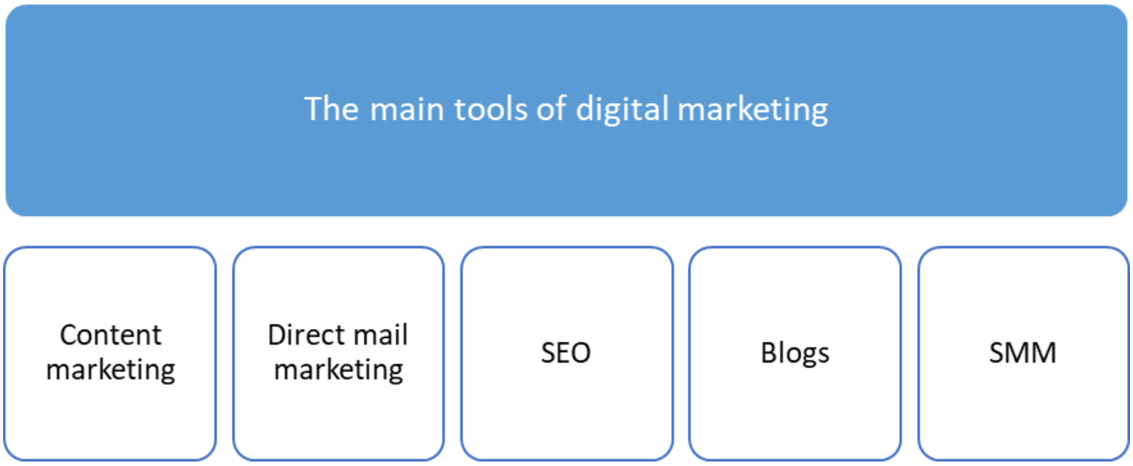

Fig. 4. The main tools of digital marketing*
*Compiled by the author

Content marketing is the creation and distribution of content with independent value for the required audience. Content marketing is based on the principle of sharing information, teaching, and introducing something. According to research, 82% of customers trust a business after receiving some useful information from it.

Content marketing is a strategic marketing approach aimed at creating and distributing relevant online content to a well-defined target audience. Surveys and reports have repeatedly shown that companies of all sizes and industries are turning to content to build brand awareness, educate audiences and generate revenue. Especially after the outbreak of the coronavirus (COVID-19) pandemic, which led to a rapid increase in consumer demand for valuable and engaging online content, companies quickly embraced this form of marketing and allocated increasingly large budgets to it. Data suggests that content marketing revenue will reach US$63 billion in 2022, and according to the latest projections, the content marketing industry will reach US$107 billion by 2026 (The Statistical Portal, 2023).

One of the main principles of content marketing is the absence of advertising. Publications must be propaganda in nature. In order to win the favor of a potential consumer of an innovative idea, it is necessary to interest him and convince him of the value of the startup's product. Informational messages about an innovative idea or a startup company that attract attention, increase recognition, provide the necessary level of communication with the market and the consumer, are the most important element of SEO, create an expert level of the brand, etc. High-quality publication in the framework of content marketing is the ability to write without advertising, understand the general task and have a good understanding of the specifics of the product. This tool is universal and allows you to provide clear explanations on how to use the innovative product.

Direct mail marketing is a method of advertising goods and services using a direct, directly addressed e-mail of advertising materials to specific potential buyers, customers, or a newsletter that a new user receives after registering in the service on the website.

In the 1970s, the world's first e-mail ushered in a new era of communication and marketing. Despite the growth and popularity of mobile messengers and chat applications, email is an integral part of everyday online life. In 2022, the number of email users worldwide was 4.26 billion and is expected to grow to 4.73 billion users in 2026. As the number of email users continues to grow each year, email has become the primary digital marketing format for businesses worldwide. In 2023, the revenue from e-marketing is estimated to be more than 10 billion USD.

As of April 4, 2023, the United States was the country with the largest number of emails sent each day, at nearly ten billion. In total, the UK, Belgium, the Netherlands, Japan, India and Germany each received 8.3 billion emails per day. As of April 2022, over 231 million emails were sent worldwide within one minute (The Statistical Portal, 2023).

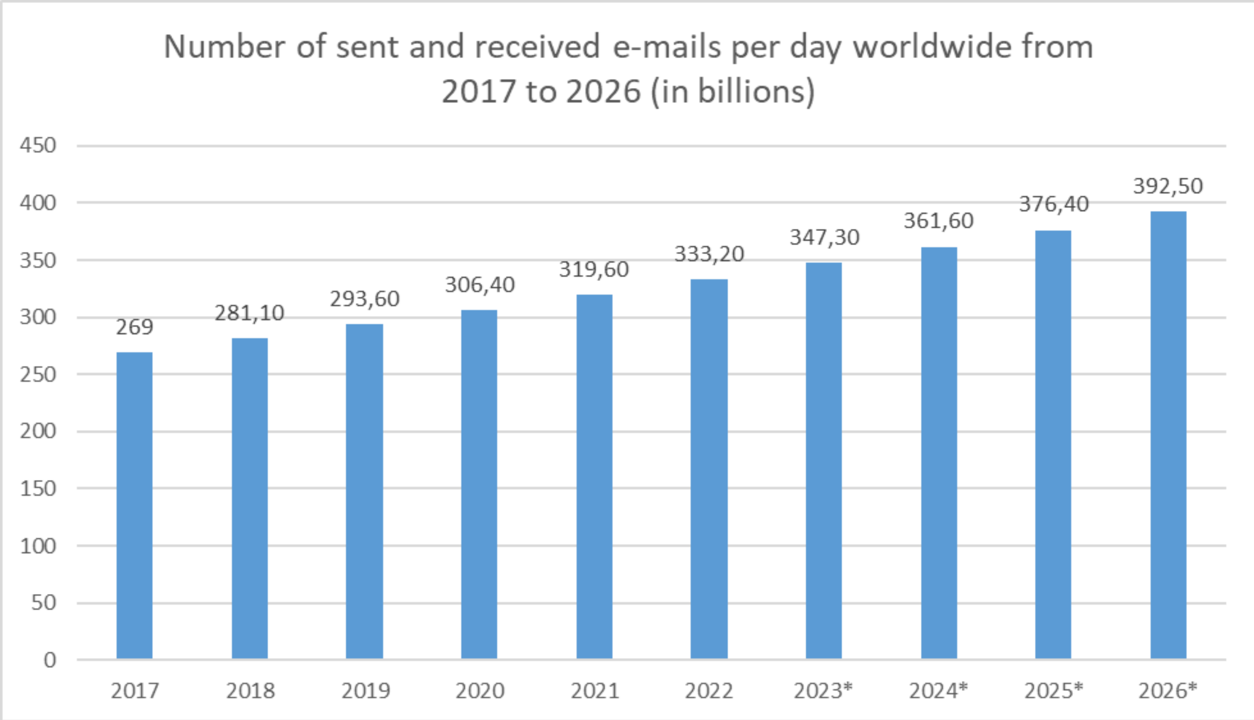

Fig. 5. Number of e-mails per day worldwide 2017-2026*
*Compiled by the author based by The Statistical Portal, 2023

Few other channels can match the average return on investment (ROI) of email marketing. In a survey conducted at the end of 2022, about half of marketers surveyed reported doubling the ROI of their email marketing campaigns, leaving no doubt why email has remained popular for decades (The Statistical Portal, 2023).

Email marketing remains one of the most popular digital marketing channels worldwide. More than 80 percent of industry experts said they used email newsletters as part of their marketing strategies in 2022, and used various metrics to measure campaign success. In 2022, the highest click-to-open rate (CTOR) for marketing emails globally was tracked in the financial services sector, followed by publishing. The country-by-country email unsubscribe rate remained below one percent this year. More than 60 percent of marketers reported that email open rates improved in 2022, indicating steady progress for this digital channel (The Statistical Portal, 2023).

Marketing automation has become an important feature in the email marketer's toolbox. By implementing various systems and software, marketers can streamline processes, collect and analyze user data, send the right emails at the right time, and ultimately maximize campaign effectiveness. As of early 2023, email was the channel most relied on for marketing automation, with 63 percent of professionals surveyed choosing it over content and social media management.

Email marketing is designed, among other things, to establish contact with consumers and facilitate mutual communication. In the B2B model, the expediency of using Direct-mail marketing is greater compared to end-user service.

SEO (Search Engine Optimization) – site optimization in search engines. It has a dominant role in the digital advertising strategy because it affects the positioning of the digital channels available to the company, such as: websites, blogs, social network accounts, etc. With the help of SEO, web pages can be optimized to become the most attractive to search engines, to be the first to be displayed during searches performed by browsers. SEO includes using the most popular user keywords and identifiers using the Google Analytics tool.

In a 2022 survey of search engine optimization (SEO) professionals worldwide, 10.4 percent of respondents said that page search was their priority area of activity in the next 12 months, confirming the tool's relevance in the future.

Blogs are sites that regularly post articles, event information, and multimedia content. A blog is a new type of Internet advertising. When a company's website acts as a product representative, it can attract potential buyers. However, in order for the consumer to want to purchase this particular product or service, it is necessary to convince him that this advertised product has the unique properties that he is looking for and that will completely satisfy him. Blogs are ideal for these startup goals. High-quality content on a topic of interest to customers from famous personalities, popular bloggers increases the level of trust and loyalty to the startup's product.

SMM – use of social networks to promote a product (service). High-quality SMM of an innovative product can significantly increase the recognition of a startup and the awareness of potential consumers.

Social media and user-generated content define interactive technologies designed to create and share information, ideas, and interests among virtual communities. Social networks differ in text posts, images, videos, comments and networking platforms. Global social media penetration is set to reach nearly 60 percent in 2023. Northern and Western Europe had the highest penetration rates, followed by Southern Europe and North America.

Social media is constantly expanding, progressing and growing all over the world. By 2027, the total number of social media users is expected to exceed 5.85 billion, accounting for more than half of the world's population. As of 2022, 26 percent of global social media users were in East Asia, followed by 18.44 percent of users in South Asia. Overall, North America accounts for nearly 9.5 percent of all social media users, while Central Africa accounts for just 0.46 percent.

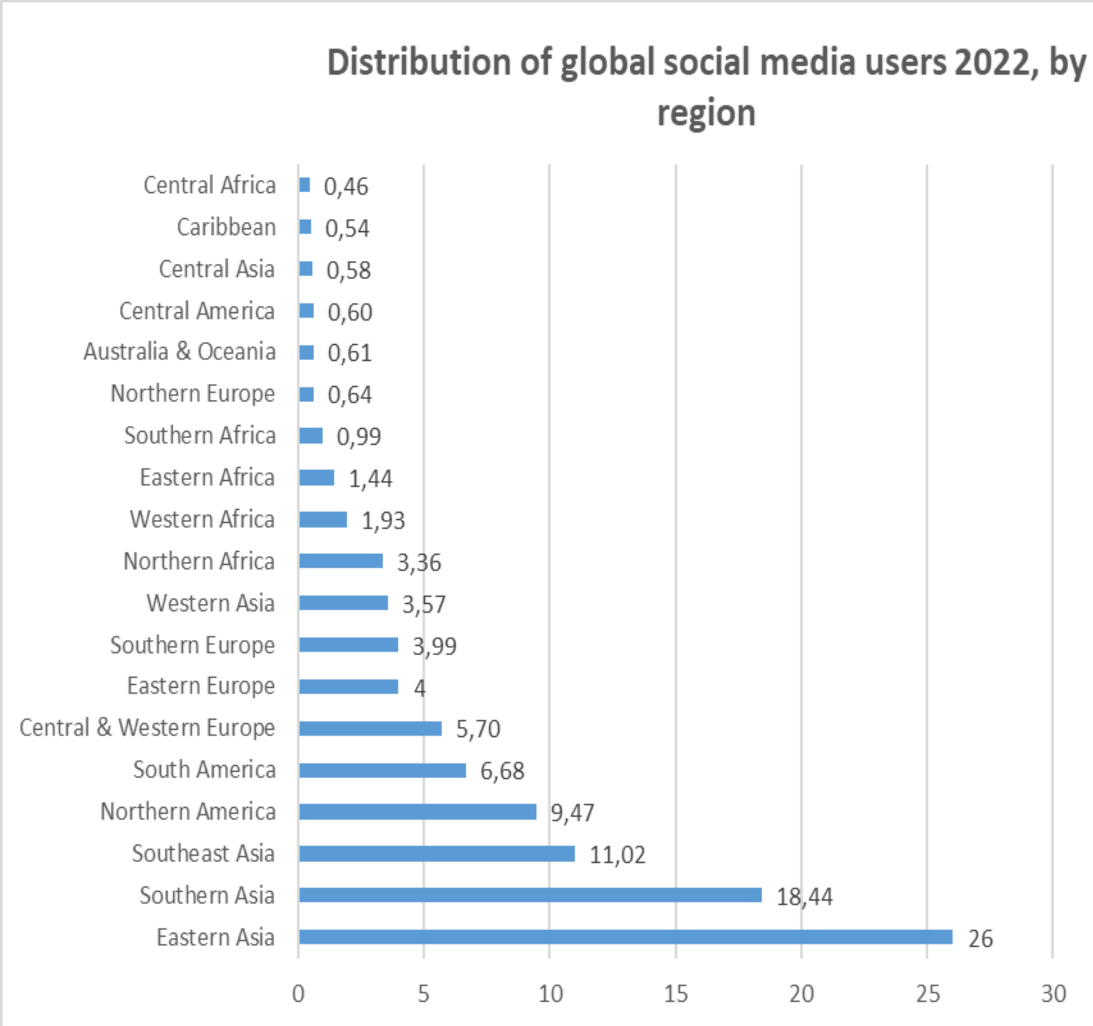

Fig.6. Distribution of worldwide social media users in 2022, by region*
*Compiled by the author based by The Statistical Portal, 2023

Content that is distributed on social networks through popular users with thousands of subscribers is able to create a huge influx of traffic to the company's website. The most popular social networks in the world: Facebook, YouTube, WhatsApp, Instagram, Weixin, TikTok.

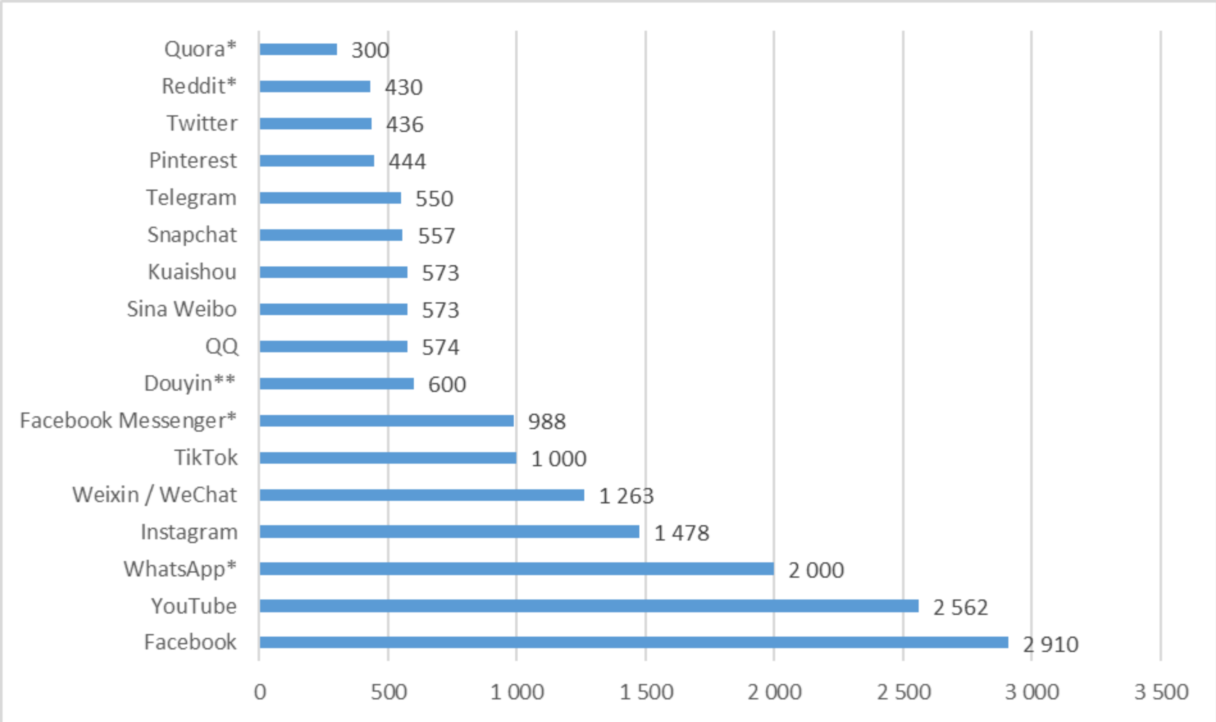

Fig. 7. The most popular social networks in the world as of January 2022 by the number of monthly active users, million users *

*Compiled by the author based by The Statistical Portal, 2023

To place content in these social networks, it is necessary to take into account the peculiarities of their functioning and the interests of their users (table 2).

The most popular social network in the world is Facebook, according to official data from Statista.com. in 2022, it had 2,910 million active users. Facebook is suitable for getting acquainted with the value proposition of a startup, promoting it to the market, solving business tasks. This social network has a wide range of functionality that the user can use for their own purposes. A large number of companies, potential investors, and advertisers are among network users. Here you can set up targeted advertising for the right target audience, create your circle of subscribers and send them letters by e-mail, expressing interest in cooperation, promoting the product (service) (Pokhilko S. V., Yeremenko A. Yu. 2020).

YouTube is gaining particular popularity for product promotion. which is one of the most popular video search engines on the Internet, second only to Google.

With the help of social networks, marketers can create and develop a brand; inform about the product (service); to form customer loyalty; provide a conversion (targeted action, purchase or registration, etc.); serve customers and communicate with them; collect information about the target audience; attract traffic, leads and sales (Rybina O. I., Shepilov D. O., Pisarenko K. O., 2020).

Table 2

SMM capabilities in the most common social networks*

Social network	Number of users, millions of people (as of January 2022) (The Statistical Portal, 2023)	Target audience	SMM opportunities
Facebook	2910	Men and women aged 25-54	Creating a page. Placement of posts. Creation of advertisements, promotions. Using messenger for messages. Targeted advertising
YouTube	2562	Men and women aged 25-44	Creating a video channel. Product introduction and promotion through video marketing. Expansion of social coverage. Creating communities.
Instagram	1478	A large share of women aged 18-44	Using direct messages for messages. Creation of storiz. Gamification. Live broadcasts. Promotion of posts. Targeted advertising
TikTok	1000	Children, teenagers and young people aged 13-24	Promoting your own business. Cooperation with bloggers. Live broadcasts. Affiliate marketing (receiving a percentage of sales or conversions of other brands). Native advertising (advertisements of other Tiktokers, brands).

*Compiled by the author

Thus, social media is a powerful marketing strategy tool for startups. The implementation of the SMM strategy will contribute to the reduction of marketing costs and ensure the promotion of the startup idea through the Internet in the most efficient and rational way.

With the advent of digital technologies, traditional marketing approaches are being transformed and introducing new tools and communication channels into their arsenal. Thus, digital marketing today is an integral component of the marketing system, which allows the company to create stable and long-term relationships, first of all, with the target audience.

Digital marketing is constantly and rapidly developing, which is evidenced by the increase in the number of digital media carriers, the emergence of new methods of product promotion using the Internet. In turn, information networks create real prerequisites for the formation of new management principles that will best correspond to changes in the external and internal environment of the enterprise.

Digital marketing is capable of becoming a powerful tool for creating sustainable relationships with customers, improving sales performance, and effectively communicating information about the company and its products to customers. In this regard, the use of interactive marketing tools in the marketing activities of enterprises, which are able to effectively position the enterprise and its products, as well as to form consumer loyalty based on information and digital technologies, will continue to grow.

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1.4. FORMATION OF A STRATEGY FOR MANAGING THE HARMONISATION OF PRODUCTION AND MARKETING POLICIES OF THE ENTERPRISE IN THE INNOVATION ECONOMY

In modern conditions of development, the innovative economy forces enterprises of all types and forms of ownership to focus on the market and optimize their production capabilities to meet its needs. It is worth noting that the key problem of today's business is the imbalance of production and marketing policy, which is especially clearly manifested in the crisis, when in the absence of accounting for the interests of consumers during the development and manufacture of products, production is ahead of sales, there is a stock-out of products and a shortage of working capital occurs, and as a result enterprises become insolvent. The main reasons for their crisis state lie in low competitiveness and lack of demand for their products on the domestic and foreign markets; depletion of investment resources; lack of established mechanisms of reproduction, ineffective methods of institutional changes in industrial, trade and social spheres of activity. In addition, especially during the war period, there is a tendency in Ukraine to lack the relationship between the production and marketing policies of the enterprise, which leads to a decrease in production volumes and a slowdown in the circulation of wholesale and retail trade.

Production and marketing policies implemented by enterprises continue to exist by themselves, setting their own development goals, which are not always mutually agreed upon. Therefore, the relevance of the topic of our research is determined by the need for new theoretical approaches, scientific and methodological materials and practical recommendations for the formation of an optimal strategy for harmonizing the production and marketing policy of the enterprise in the innovative economy and accelerating the pace of its development of enterprises based on innovative activities, which will lead to the fact that theoretical and practical problems related to the justification and implementation of a mutually agreed production and marketing policy of the enterprise will determine the need to update methodical and methodological approaches to the definition of harmonization in the conditions of an unstable external environment. It should be noted that a significant contribution to the development of scientific areas related to the formation of a coordinated production and marketing policy was made by the following foreign scientists: I. Ansoff, R. F. Akoff, G. Jones, Yu. Zhuravlev, F. Kotler, V. Nordhaus, P. Samuelson, R. Forster.

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The fundamental approaches to the problems of development of the innovative economy and improvement of the efficiency of innovative activity in the enterprise are devoted to the works of P. Drucker, M. Roberts, B. Santo, R. Waterman, P. Fisher, J. Schumpeter.

Domestic and foreign scholars have done a lot of work in the field of strategic management. The leading place is occupied by the research of D.A. Anker, E. Meyer, R. Mann, P. Heine, A.I. Khorev, J.D. van Horn.

However, a wide range of problems related to the development of a theoretical and methodological basis for the harmonization of production and marketing policy in the innovative economy based on the development of innovative activities has not been sufficiently studied. The experience of researching the works of foreign scientists is not systematized and in many respects does not meet the conditions of the innovative economy of Ukraine and the main criteria for its future development. All of the above identified a significant need for research in this area of issues, which collectively represent a significant problem of forming an optimal management strategy for the harmonization of production and marketing activities of the enterprise in the innovative economy, which has an important social and economic significance for the economy as a whole and the development of Ukraine.

The purpose of the study is the formation of theoretical and scientific-methodological provisions of the management strategy for the harmonization of production and marketing policy of the enterprise in the innovative economy.

The subject of the study is the economic and managerial relations that arise in the process of forming the optimal management strategy for the harmonization of the production and marketing policy of the enterprise, as well as the whole set of theoretical, methodological and practical problems that arise in the conditions of the innovative economy. In order to ensure sustainable socio-economic development of the enterprise, it is necessary to intensify actions on the programmatic regulation of the processes of organizational, structural, technological and functional activity, which is possible only under the condition of forming an optimal management strategy for harmonizing the production and marketing policy of the enterprise in the innovative economy. The success of the development of this strategy is largely determined by a well-thought-out mechanism for its implementation, the task of which is to achieve coordination of the goals and interests of the enterprise within the framework of a single economic space (Ignatieva 2018; Lisovyi 2021).

In addition, we note that the optimal management strategy for the harmonization of the production and marketing policy of the enterprise in the innovative economy is manifested in the coordination and establishment of mutual correspondence of a set of deep connections, relationships, internal patterns that determine the main features and trends of the development of the production and marketing spheres of the enterprise. The forms of manifestation of the optimal strategy of harmonizing the company's production and marketing policy are the proportional balance of production and sales volumes, technical level, innovations, financial resources, economic and social development of production and sales units.

The content differs from the essence in the inclusion of mechanisms for achieving goals, and the task of the mechanism is to achieve coordination of the goals and interests of various spheres of the enterprise. That is why, the content of the optimal strategy for harmonizing the production and marketing policy of the enterprise is understood in a certain way as an agreed and ordered set of elements, processes and actions that form a mutually agreed ratio of the production and marketing spheres of the enterprise to form a single whole in the form of an optimal strategy. This is where the key points of harmonizing the company's production and marketing policy flow. They assume: a change in the psychology of confrontation in the relationship between the producer and the supplier of products and marketing and the seller of these products; approximation of the production range to trade, corresponding consumer demand, both in terms of structure and quality; access to positive financial indicators, which ensure the maximization of the efficiency of production and commercial activity and the improvement of the standard of living of working people; minimizing the number of destructive conflicts (Sumets 2021).

Based on the theoretical provisions that reveal the essence and economic content of the optimal strategy for harmonizing the production and marketing policy of the enterprise, the enterprise is defined as the activity of management bodies, aimed at mutual coordination of conflicting interests of business entities in relation to the development and implementation of management decisions that ensure the achievement of social economic efficiency of the enterprise.

Thus, the formation of an optimal strategy for harmonizing the production and marketing policy of the enterprise is a complex activity of the organization, which allows to increase the socio-economic efficiency, to reach a consensus between the conflicting economic interests of the subjects of the internal and external environment, to proportionally balance the various directions of the enterprise with the help of a coordinating center – the marketing service, implemented as a system that affects all its constituent elements, one of the most important aspects of which is the harmonization of the interests of human resources within the enterprise and the improvement of business fairness and responsibility.

It should be noted that the economy of Ukraine is at the stage of transition to a socially-oriented innovative development of market relations, which is characterized not only by a rapidly changing situation, but also by increased competition. Of course, in this period of transition, the negative influence of the external and internal environment on the activities of domestic enterprises increased even more, especially during martial law. In the current period, enterprises are faced with a complex of non-traditional development problems, which leads to a violation of economic suitability and financial suitability of enterprises, a decrease in the efficiency of their production, economic and commercial activities, as well as crisis manifestations in the sectoral economy (Levytskyi 2023; Pizhuk 2018; Popova & Matsenko 2018).

That is why, the innovative and successful management of the economy of the enterprise assumes that all its activities must guarantee the sustainable production of competitive goods and services that promptly take into account the needs and requests of consumers. The turbulence of changes in the environment, discoveries in the scientific and technical sphere, the growth of competition, the emergence of new consumer requests that allow the introduction of new methods and techniques for business development, require the organization of an optimal strategy for harmonizing the production and marketing policy of the enterprise, which flexibly responds to all market influencing factors, and its formation, implementation, and development significantly contribute to the transition of the enterprise to strategic management in the innovative economy (Shevchenko 2019).

Therefore, the result of forming an optimal strategy for the harmonization of production and marketing policy of the enterprise is its organic unity, in the system of operational and strategic long-term goals, ensuring their consistency, interconnection, which characterizes the harmonization of policies. It should be noted that the formation of an optimal strategy for harmonizing the company's production and marketing policy is a holistic system of views that allows for coordination and mutual compliance of various measures and actions for unification, coordination and unification as constituent elements of the economic space of the enterprise into a single production and marketing sphere in the conditions innovative economy in order to ensure its sustainable socio-economic development.

The concept of forming an optimal strategy for harmonizing the production and marketing policies of the enterprise, which we have formed, is presented in on figure 1. It is in it that the production and marketing policies must be proportionally balanced and mutually coordinated according to the principles of formation and performed functions, priority goals and tasks aimed at establishing a balance between modes of operation and development of the enterprise on the basis of achieving a proportional balance of structure and resources, contributing to the realization of harmony both before the start of the production process and by controlling it through the obtained results. Since the production and marketing aspect is characteristic of all spheres of the enterprise’s activity, within the framework of strategic management, they ensure the coordination and interconnection of all other functional policies of the enterprise. So, the optimal strategy for harmonizing the company's production and marketing policy should reflect the tasks and functions of each of its main elements, and the vector for the formation and implementation of harmonization is an innovative type of enterprise development. It is especially important to emphasize that in order to achieve a harmonized production and marketing policy, it is necessary to pay due attention to the formation of environmental priorities of innovative activities.

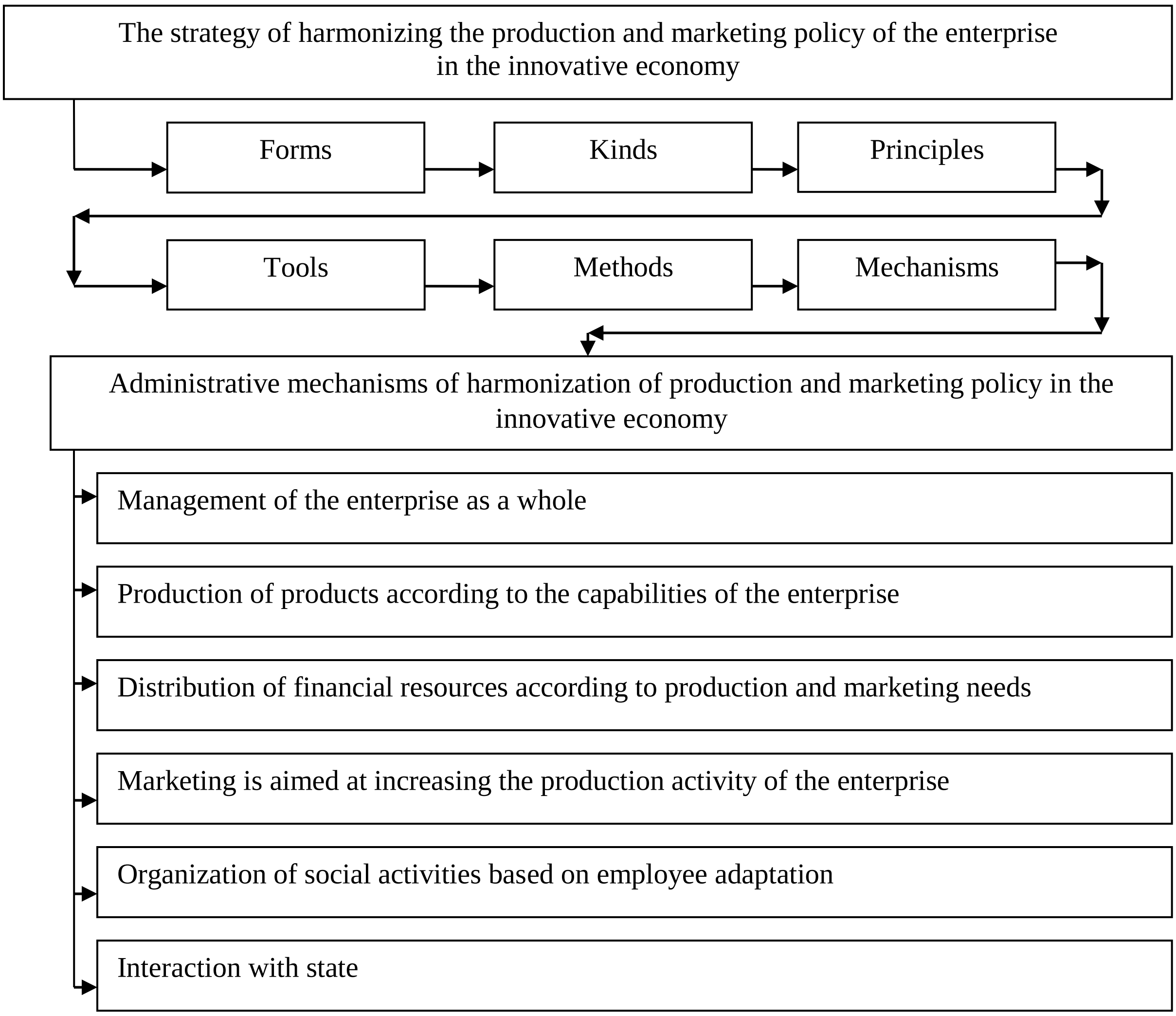

Fig. 1. The concept of production and marketing harmonization enterprise policies based on the development of innovative activities*

**Source*: modified and compiled by the author based on the analysis of (Ignatieva 2018; Lisovyi 2021; Sumets 2021; Pizhuk 2018).

Thus, the concept of the strategy of harmonizing the production and marketing policy of the enterprise, which allows with the help of special instrumental methods to determine the promising directions of the enterprise's development, should be aimed at creating a full-fledged socially oriented innovative environment, increasing the efficiency of the production of goods and satisfying consumer demand, forming a new culture of consumption with guaranteed quality and safety of goods.

It is worth noting that the methodology has two main meanings. In a narrow sense, methodology is the teaching of methods of scientific research; in a broad sense, it covers the study of the structure of scientific knowledge in general, the place and role in it of various forms of knowledge and the construction of various systems of scientific knowledge. In our opinion, the methodology includes worldview, cognitive and technological aspects, which made it possible to provide a more holistic view of the formation of an optimal strategy for harmonizing the company's production and marketing policy, its forms, methods, tools and research methods; develop proposals aimed at its practical application. Such an understanding and construction of the methodology allows from a single point of view to reveal the process of forming an optimal strategy for harmonizing the company's production and marketing policy in an innovative environment for the development of the economy as a whole (Shevchenko 2019).

In our opinion, the methodology for forming the optimal strategy for harmonizing the company's production and marketing policy is a mutually determined set of methods, models, methods, mechanisms and tools that provide a comprehensive assessment and determine management options for production and marketing links in their development in the innovative economy (fig. 2). It should be noted that the following components of the methodology were highlighted: approaches, guidelines, priorities; resources, means, methods, limitations; evaluation criteria. The basis of the methodology is the principles of scientific research, which cover the entire essence, content of the phenomenon or process (ideas, norms, relationships) and give it logic, consistency, and balance.

In our opinion, the methodology considers the organization of activities for the formation of an optimal strategy for harmonizing the company's production and marketing policy, which allows it to be organized into a complete system with clearly defined characteristics, a logical structure and the process of its implementation. A distinctive feature of the proposed harmonization methodology is the provision of the possibility of a comprehensive assessment of the system of mutually coordinated management of production and marketing activities aimed at the innovative development of all parts of the enterprise. Such an understanding and construction of the methodology allows to generalize the research provisions for the study of complex economic systems, which enterprises; determine the methods of achieving the set goals when solving the problem of forming the optimal strategy in the innovative economy.

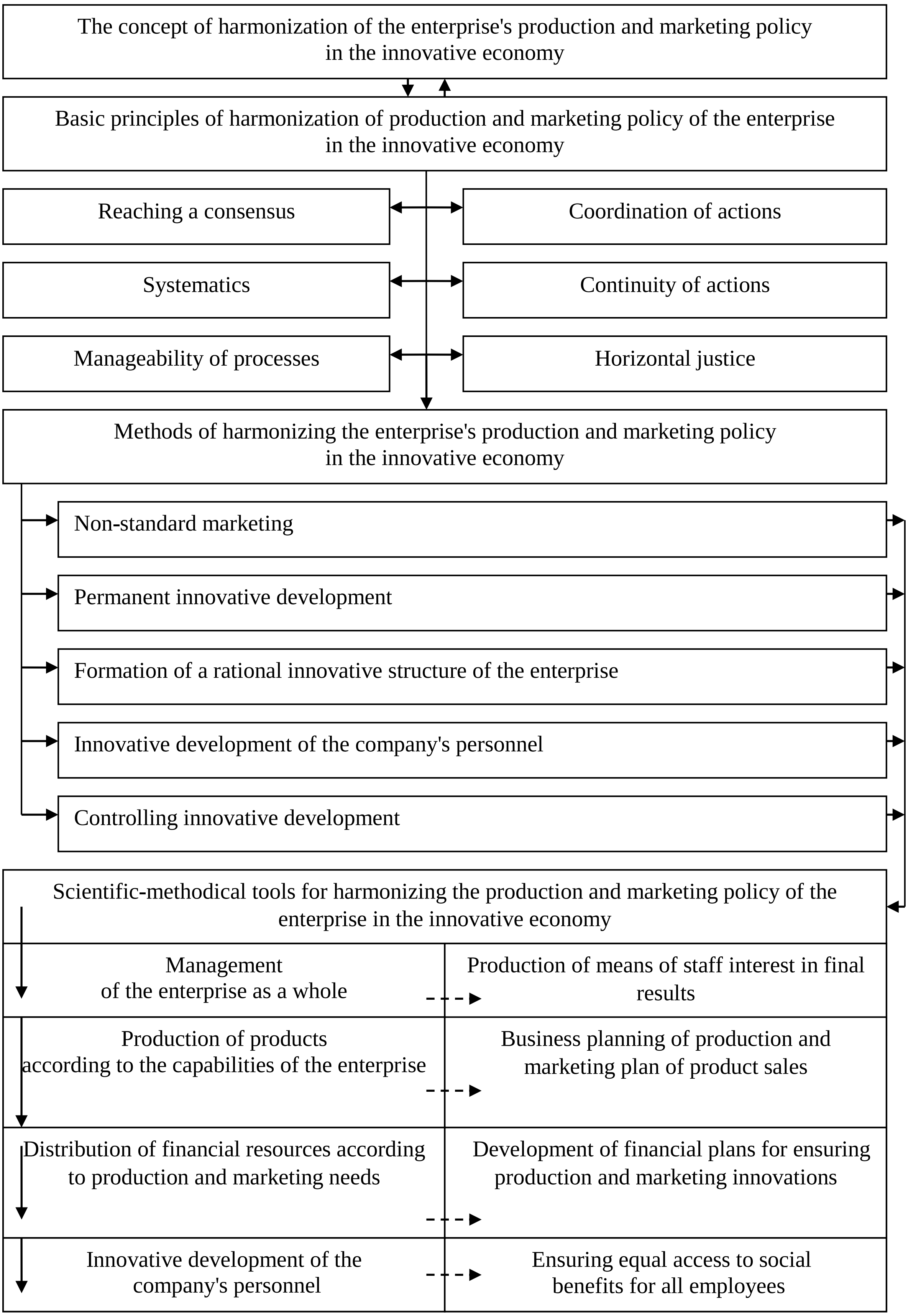

Fig. 2. Methodology of harmonization of production and marketing policy of enterprises in the innovative economy*

**Source*: modified and compiled by the author based on the analysis of (Popova & Matsenko 2018; Shevchenko 2019; Tkacheva, Pichugina & Tkachenko 2019).

The harmonization system as a multi-level education acts as a general universal characteristic of such a fundamental side of the economy as the unity of differentiation and integration, because any connection with necessity implies, on the one hand, the separation of objects, and, on the other hand, the interdependence of differentiated parts. In our opinion, the system of harmonization of the industrial and trade policy of the enterprise is a set of interconnected and mutually agreed upon elements, components, functional subsystems, subsystems, goals and sub-goals, organized by the process of systemogenesis into a single integrated structure that is opposed to the environment and is able to maintain a stable internal state with the help of coordinated reactions aimed at maintaining the dynamic balance of the production and marketing spheres of the enterprise in conditions of turbulence in the external environment and increased competition. The formation of the optimal strategy for harmonizing the production and marketing policy of the enterprise is incorporated into the general system of enterprise management, being a problem-oriented subsystem.

It is introduced to solve the problem of disorganization of the management system of the production and marketing activities of the enterprise, since at most enterprises no one is engaged in the formation of such a strategy and it is practically absent in their activities, since instead of a complete system of actions, separate components and elements are presented, weakly interconnected and poorly interacting each other.

Based on the understanding of the results of the study of the essence, content, principles and problems of forming an optimal strategy for the harmonization of the production and marketing policy of the enterprise, we propose to develop a structural and logical scheme for the formation of an optimal strategy for the harmonization of the production and marketing policy of the enterprise, the analysis of which allows to determine specific trends and priority areas of harmonization, including clarification of its target orientation, improvement of management actions and actions on the object of management; increasing the efficiency and quality of the harmonization system, improving resource, methodological, and informational support, learning about the regularities of the system development of the enterprise (see Fig. 3). Its structure determines the internal structure of the harmonization system, the way elements are connected, since connection is the transfer of material, energy or informational components from one object to another; is a functional characteristic of an element, and a relation is a structural characteristic. In addition, we highlighted the harmonized connection of the elements of the system, which is understood as the relationship of mutual dependence and consistency of the elements of forming the optimal strategy for harmonizing the production and marketing policy of the enterprise as a result of their interaction and development. Stable, recurring connections in the system are expressed in a law, the main one of which is the law of harmony.

In our opinion, the formation of an optimal strategy for harmonizing the company's production and marketing policy should consist of three subsystems: providing, organizing, and effective. Each subsystem has its own functional purpose, features of functioning and quality indicators, is connected by certain relations with other subsystems and affects the general functioning and development of the enterprise. The very work of the subsystem is explained from the point of view of the functional properties of its parts (subsystems) and the ways in which these parts are integrated in the subsystem (connect and interact with each other). Therefore, the author selected ten functional subsystems, which determine the set of performed functions of each of the three subsystems. The main subsystem of the formation of the optimal strategy for harmonizing the production and marketing policy of the enterprise is the resulting one, which allows to determine the prospects for the development of the enterprise in the innovative economy.

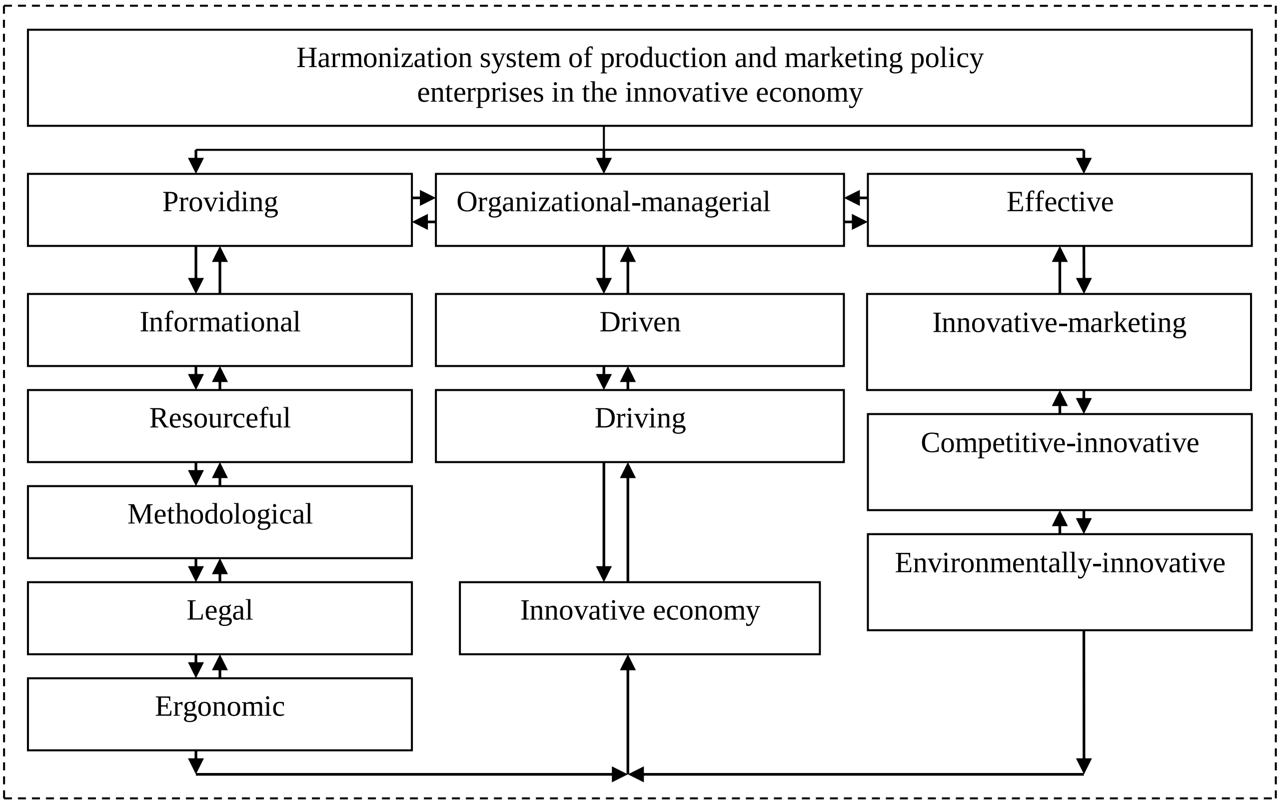

Fig. 3. System of harmonization of production and marketing policy of enterprises in the innovative economy*

**Source*: Developed by the author based on (Levytskyi 2023; Shevchenko 2019).

Under the conditions of interconnection of subsystems, functional subsystems, components, elements with each other and the harmonization system as a whole, there are certain requirements for the relationship between them, which significantly affect the effectiveness of harmonization: the need for mutual coordination of the goals and tasks of the levels of subsystems (subsystems) is one of one and the system as a whole, for which the tasks of subsystems (subsystems) must be coordinated, and subsystems (subsystems, components, elements) must have the properties of compatibility according to functional modes, ensure timeliness and efficiency in the performance of the main function, which expresses consistency in purpose and requirement to the functioning of the system as a whole; ensuring the information compatibility of subsystems (subsystems), efficiency of obtaining, processing information and transferring it to the next links.

Therefore, the harmonization of the production and marketing policy of enterprises in the innovative economy is an activity of management bodies aimed at mutual coordination of conflicting interests and actions of business entities (actors of the economic process) in the development and implementation of management decisions that ensure an increase in socio-economic efficiency. Under its content, a set of elements and processes that form a commensurate ratio of the production and marketing spheres of the enterprise in the formation of a single whole is agreed and ordered in a certain way. The basic principles of its harmonization are the principles of reaching consensus, coordination of actions, systematicity, continuity of actions, controllability of processes, and horizontal justice.

Also, our research made it possible to substantiate the main mechanisms of harmonizing the production and marketing policy of the enterprise, such as managing the enterprise as a single whole; production in accordance with realization possibilities; distribution of financial resources according to production and sales needs; interaction with state bodies and social institutions. The harmonized production and marketing policy of the enterprise must reflect the tasks and functions of each of its main components (production, marketing, innovation, technological, financial, management, and the vector of formation and implementation of such policy is the innovative type of enterprise development. It is especially important to emphasize that in order to achieve harmonization production and marketing policy of the enterprise, it is necessary to pay increased attention to the formation of ecological priorities of innovative activity.

In addition, a specific method of harmonizing the company's production and marketing policy is diffused marketing, which is the result of the evolutionary development of the economy. It purposefully coordinates all types of activities in order to satisfy and form needs while harmonizing the interests of consumers (demand) and producers (supply), allows mitigating the consequences of crises of overproduction and consumption in the conditions of innovative development of the market economy. A distinctive feature of the proposed method of evaluating marketing effectiveness is to establish the best price for the sale of a new product in the market segment, taking into account the reaction of competitors based on probabilistic decision-making models. During the implementation of the methodological approach, the author identified marketing opportunities from the point of view of their practical implementation in the industrial and commercial activities of food enterprises. In addition, the innovative and active scenario of the development of the economy of Ukraine is characterized by increased requirements for the growth of competitiveness. Its increase is the result of the implementation of the harmonization of the company's production and marketing policy. The task of increasing the competitiveness of enterprises is caused by the need to accelerate the development of new and such products that are in demand on the market, to reduce the time it takes to fulfill a consumer's order, while ensuring high reliability of supplies. It is possible to evaluate the sources and causes of the available opportunities, operating with the characteristics of the influence of individual factors on the change in the level of competitiveness of the enterprise with the aim of harmonizing its production and marketing policy of the enterprise.

In the end, the harmonization of production and marketing policy of the enterprise should ensure the effective development of food enterprises and increase their competitiveness in conditions of proportional balance of its activity; establishment of clear relationships between all elements of system development and strategy implementation; development and implementation of measures to reduce the negative impact of uncertainty and risks; stimulating the use of intellectual property while ensuring its effective protection in the industrial and commercial sphere; determination of prospects for the development of an innovative structure based on data on the current state of science, production, education, the level of equipment and technology. Thus, our proposed optimal strategy for harmonizing the production and marketing policy of the enterprise in the innovative economy allows us to identify specific trends and establish priority directions for the development of the enterprise, increase the efficiency of production and commercial activities, and improve resource provision in the conditions of the innovative economy.

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1.5. THEORETICAL BASIS OF INNOVATIVE DEVELOPMENT ON THE BASIS OF THE KNOWLEDGE ECONOMY

Transformational transformations in all subsystems of society, which have been taking place during the last decades in almost all countries of the world, are caused by the shift in development guidelines and global challenges. The following factors are currently the determining factors of competition and socio-economic growth of the world economy: innovation, knowledge, information and ecology. And the main thing is their effective use in the "production-transfer-commercialization of knowledge-environmental safety" chain.

The existing conditions of competitive struggle place completely new requirements on all subjects of national economic systems - from the state to corporate structures - and this, in turn, creates the need to review existing and develop new strategic directions of development at the national level, regional level, individual enterprises.

Innovative development is planned and implemented at the state level, but there are long-term determinants of the directions and trends of innovative activity in individual territories, which determine the regional features of the course of this process and determine the importance of an individual approach to its provision in a specific region of the world or country.

Planning the innovative development of certain territories involves finding ways to measure the extent of the region's compliance with the principles of the knowledge economy. Barriers and new opportunities identified in the process of monitoring, as well as internal growth reserves, form a significant information basis for improving the management of innovative development on the basis of the knowledge economy.

This necessitates the development of scientific and methodological foundations for managing innovative development based on the knowledge economy.

The essence of the concept of "innovative development" was transformed, acquiring new facets, in the process of the formation of its main theories, the main representatives of which were K. Marx, M. Tugan-Baranovskyi, M. Kondratiev, Y. Schumpeter, S. Kuznets, R. Foster, F. Hayek and others.

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The study of new conditions for the development of the economic system, generated by the formation of the knowledge economy, is devoted to the work of many authors. One of the founders of the theory of the knowledge economy is D. Bell, Z. Brzezinsky, P. Drucker, M. Castells, R. Katz, H.M. Porat, E. Toffler.

However, the volume of research and the degree of scientific development of the problem of managing innovative development on the basis of the knowledge economy cannot yet be called exhaustive. The issues of diagnosis of innovative development on the basis of the knowledge economy, improvement based on its results of management of the specified process have not yet been developed. All this determined the choice of the research topic, justification of its purpose, tasks, as well as the logic and structure of the presentation of results.

The purpose of the research is the formation of the theoretical and methodological foundations of the management of innovative development on the basis of the knowledge economy.

General and general scientific methods, as well as special methods based on modern scientific foundations of economic and related sciences, are used in the work based on systemic, complex and integration approaches.

The work uses the methods of dialectics, the descent from the abstract to the concrete, abstraction, grouping, comparison, methods of scientific generalizations.

1. Conceptual aspects of innovative development

Under the conditions of the spread of transformational and globalization processes, which create new conditions and give rise to urgent challenges both for the economy as a whole and for its individual subsystems, the issue of ensuring their development based on innovations plays a significant role in the context of supporting and increasing the competitiveness of certain entities.

The concept of "development", despite its wide use and apparent simplicity, when applied to the analysis of specific situations and the solution of socio-economic problems requires a systematic approach, the identification of key factors and conditions, the appropriate formation of evaluation criteria.

Development is immanent (from the Latin immanentis - inherent, inherent) process: the transition from the lower to the higher occurs because the lower in a hidden form contains a tendency that leads to the higher, and the higher is the development of the lower (Krasnokutska 2003, p. 43).

Different definitions of the "development" category include changes that lead to the acquisition of new characteristics (qualities, properties) by the object through the creation, transformation or replacement of existing ones.

Development is planned and implemented almost always at the level of whole countries based on the use of state investment resources, which are usually disposed of by state-wide management bodies. In recent decades, many countries have developed this activity by forming more targeted individual approaches to each region, trying to solve specific regional problems and actively cooperating with citizens and various institutions. In addition, many governments seek to improve the coordination of all public investments at the subnational (primarily regional) level to increase the effectiveness of their implementation. In addition, different countries now more often than in the past are aware of how different the levels of development of individual regions can be, and therefore pay more attention to the elimination existing disproportions (Kuibida et al. 2010, p. 4). Regional development is considered as a change in the structure of regions or territorial entities within them (as a rule, we are talking about progressive changes in the structure) (Bogorad et al. 2004, p. 226).

We distinguish three types of regional development: asymmetric, harmonious and neutral. Asymmetric or disharmonious is a type (character) of regional development in which regions with a relative advantage in one or another indicator at the beginning increase it in the future, and regions with a relative lag strengthen it accordingly. Harmonious (symmetrical) is the type of regional development in which the gap in regional indicators is significantly reduced and, accordingly, the development of individual subjects is equalized. A neutral type of development is a type in which the ratio of regional indicators remains almost unchanged during the period.

As we can see, under this approach, regional development is considered from two sides: from the standpoint of progressive changes in the region relative to its previous state, and based on the trends of equalization/deepening of disproportions in the dynamics of individual subjects for now. Approaches to the definition of this concept and its characteristics revealed at the same time determine various classification features of regional development.

The essence of the category "innovative development" was transformed, acquiring new aspects, in the process of formation of the main theories of development, which began in the second half of the 19th - the first half of the 20th century, table 1.

Although the outstanding economist A. Smith (1723-1790) in his work "Research on the nature and causes of the wealth of nations" (Smith 1776) identified the invention of a large number of machines (they facilitate work and reduce costs, and this allows one person to perform the work of several) as one of three conditions of division of labor, in which he noted a gigantic progress in the development of productive forces (Smith 1776).

Table 1

The influence of the basic ideas of theories on the formation of the concept of "innovative development"

Scientific theory	Basic provisions of the theory	Influence on the formation of the concept of "innovative development"
Theories of cyclicality of economic development		
K. Marx's theory of cyclical crises	Cyclicality of crises caused by overproduction. IN condition depression production falls below of that level , which it has reached in previous cycles and for whose formed technical basis . At prosperous - production is developing further on this basis _ IN period overproduction and fraud productive forces straining the highest to an extent, even outside capitalist borders production process (Marx 1859)	He emphasized the cyclical nature of development, which is carried out on the basis of the formed technical base, which builds up in the process of transition to a new cycle
The theory of long-term fluctuations by M. Tugan - Baranovsky	Capitalist development is periodic because it consists of successive moments of revival and crisis, rise and fall. The industrial cycle ends with a crisis, during which free money capital accumulates, then a new era of industrial revival, when this capital is spent, then a crisis, and so on. The ascending phase of the cycle is characterized by an increase in demand for means of production, the descending phase is characterized by its weakening (Tugan -Baranovsky 2007, c. 412-430)	He considered the accumulation of loan capital and its investment in goods, in particular innovative
The theory of "long waves" by M. Kondratiev	It distinguishes wave-like fluctuations of economic dynamics of three types: short, medium and long cycles. Before the beginning rising wave big cycle , a sometimes in its beginning, significant changes are observed in basic conditions economic life of society , which are expressed in changes in technology production and exchange , conditions money circulation , y increased role new ones countries in world economy life and etc. _ One of the reasons for the occurrence of large waves is changes in technology, which require the availability of relevant scientific and technical discoveries and inventions and economic opportunities for their practical application (Kondratiev 2002, c. 341-382)	He connects new cycles of economic dynamics with technical inventions and discoveries, essentially seeing them as the basis of innovative development. Emphasizes the significant multifaceted impact of large waves on all spheres of society

Continuation of table 1

Scientific theory	Basic provisions of the theory	Influence on the formation of the concept of "innovative development"
Classical theories of innovations		
J. Schumpeter's theory of innovation	Cycles are generated by innovation. The period of innovation is a time of effort and sacrifice, work for the future, while the result will be later. A recession, in addition to being a time of the results of previous innovations, is also a time of indirect effects. New methods are copied and improved; adaptation to them or to the influence of new consumer goods lies in the part of "induced inventions"; some industries opened up to new investment opportunities; others correspond to the rationalization of technological and commercial processes under pressure (Schumpeter 1939, c. 147-148)	Connects economic cycles with innovative development, which acts as their generator. The peak of propensity to innovate (and therefore the potential for innovative development) is present during the recession
Research on economic growth by S. Kuznets	The transition not only of the economy, but also of society as a whole, from one level to another is based on epoch-making innovations and the potential of the wave of basic innovations that implements them. The prerequisite for the desire to invest in new products or types of equipment arises under the condition of production growth, but no fundamentally important innovations are introduced for a long time, then capital of an outdated model accumulates, which does not contribute to the growth of labor productivity. All this leads to a decrease in production efficiency, an increase in capital intensity, current costs, which ultimately causes a slowdown in general economic growth, and then, as a result, its decline (Kuznets 1971)	The cyclicality of economic development is explained by innovative activity that affects other characteristics of the economic system. He sees the sources of economic growth in the achievements of modern science as the basis for the production of epoch-making innovations
Neoclassical theories of innovation		
Theory of innovations by H. Mensh	Innovations revolutionize production, basic innovations "come in groups or waves and are directly related to crisis phenomena or economic prosperity." Each long cycle has the form of an S-shaped or logistic curve, which describes the trajectory of the life cycle of a given technological method of production. At the final stage of the previous technological base, a new one emerges. The moment of merging of two consecutive life cycles is called a "technological stalemate" or a structural crisis, because the previous S-shaped curve does not merge with the new one (Krsanokutska 2003, p. 61-62)	The exit from the "technological deadlock" was connected with the production and introduction of innovations. He believed that innovative development is carried out after the phase of depression

Continuation of table 1

Scientific theory	Basic provisions of the theory	Influence on the formation of the concept of "innovative development"
Foster's theory of innovative development	The need to manage technological gaps, which requires determining and evaluating the effectiveness of technology, both in terms of products and costs, finding and understanding alternative approaches and their limits. This requires radical changes in the organization and management, which will affect all areas of the organization's activities and everyone involved in them (Foster 1987, p. 83-84)	Derives the thesis that innovative development has a certain logic and must be predicted
Modern theories of innovative development		
The concept of "dispersed knowledge" by F. Hayek	Raises the problem of the division of knowledge: how the spontaneous interaction of many individuals, each of whom possesses only a small share of knowledge, gives rise to such a course of events in which prices correspond to costs (other economic proportions are observed) and which could only be created under the conscious control of a certain individual who possesses the combined knowledge of all these individuals. In the form of a special information device that coordinates and uses various knowledge of millions of independent people, a competitive market is represented (Hayek 2014)	Indicates such features of development as uncertainty, limited information, imperfection of knowledge, i.e. determines the conditions of innovative development
Social-psychological theory of innovations (H. Barnet , E. Witte, E. Denison)	The key factor in economic development is human capital, which is transformed into new knowledge. The object of the study is to consider the obstacles that arise during the implementation of certain innovations. To eliminate them, it is necessary to organize the effective joint work of "authoritative stimulators" (administration) and "qualified stimulators" (specialists) - a kind of project group in which specialists create innovations, and the administration creates the conditions for their implementation and the removal of any obstacles (Zakharchenko 2012, p. 31)	Considers the aspect of innovative development at the level of individual economic entities, the prerequisite of which considers the establishment of relations between the administration and specialists in the direction of the creation and implementation of innovations

With the beginning of the formation of the theory of innovations, it is possible to connect the study of cyclical development. The development of the theory of cycles began in the middle of the 19th century, when the English scientist X. Clark drew attention to the 54-year gap between the two economic crises of 1793 and 1847. He assumed that it was not by chance, that there must be some reasons for this, but he could not form them (Krasnokutska 2003, p. 49). Another English scientist V. Jevons, who went down in history as the creator of the theory according to which crises of overproduction are caused by the appearance of spots on the Sun after certain intervals of time, and, using statistical material, tried to prove for the first time the existence of long-term fluctuations in the economy. He analyzed the series of prices and noticed in them the repetition of long periods of growth and decline. But Jevons was also unable to find an explanation for this phenomenon (Krasnokutska 2003, p. 49).

The theory of cyclical crises was considered by K. Marx in the 60s of the 19th century. In volume 3 of the work "Capital" (Marx 1859). K. Marx connected the cyclicality of development with the technical base, which tends to increase with each new cycle.

At the end of the 19th century Ukrainian economist M.I. wrote about the existence of long-term fluctuations. Tugan-Baranovsky, who, considering industrial crises in England, proved that the cyclicality of economic development is determined by the limitation of loan capital itself and the peculiarities of its investment in capital goods (Tugan-Baranovsky 2007).

A significant contribution to the formation of the theory of innovative development was made by M. Kondratiev with the theory of "long waves" developed in the 20s of the previous century. The main provisions of the theory are set out in the work "Great business cycles and the theory of prediction" (Kondratiev 2002). The research was conducted on the basis of a large amount of information on the state of the economy in the USA, Germany, Great Britain and France over a long period of time. In addition to the substantiation and typification of wave-like fluctuations in economic dynamics, the scientist's works contain developments regarding the sources and direction of economic development, highlighting the role of technical inventions, as well as the possibilities of their application to stimulate the growth phase in economic cycles.

Kondratiev's theory of long waves, the Austrian scientist J. Schumpeter (Schumpeter 1939) convincingly proved that the causes of cyclicality are the processes that form innovations. He showed that if inventions are relatively evenly distributed over time, then innovations (as historically irreversible changes in production methods) "roll in" (and "retreat") in waves.

Y. Schumpeter proved the hypothesis put forward by M. Kondratiev, that before the beginning of the growing wave of each great cycle (sometimes at its very beginning), major changes in socio-economic development are observed, in particular changes in the technique and technologies of production and exchange (caused by significant inventions and discoveries), conditions of monetary circulation, strengthening of the role of individual states in the world economy. He showed that it is during periods of depression that groups of basic innovations ("storm" according to J. Schumpeter) appear , which form the basis of a new technological system. The falling part of the wave of the great cycle is caused by the fact that the prevailing technological order has already reached its peak and completely exhausted the available potential, and the new order is still being formed. J. Schumpeter divided long waves (cycles) of conjuncture into two time components: innovative (basic innovations) – shorter in duration; imitative (improving innovations) - longer in duration. Later, the German economist G. Mensch added a third to them - a short-term one, caused by so-called pseudo-innovations (a minor improvement of goods, technologies, management methods, etc.).

Based on the positions of the theories of M. Kondratiev and J. Schumpeter, in the long wave of M. Kondratiev, today, from the standpoint of innovative science, the following parts of it are distinguished: depression (technological stalemate); economic revitalization (basic innovations); economic growth (improving innovations); decline (pseudo innovations) (Ilyashenko 2010 , p. 28-29).

Kuznets (Kuznets 1971), laureate of the 1971 Nobel Prize in Economics, belongs to the theorists of the classical direction of the theory of innovative development. It was for researching the problems of the relationship between innovation and economic development that he was awarded the Nobel Prize. S. Kuznets introduced the concept of epochal innovations that underlie the transition from one historical epoch to another. Epoch innovations are carried out once in several centuries and last for decades. They lead to deep transformations in society and herald a transition to a new technological or economic method of production, to the birth of a new socio-cultural system, even another world civilization. The revolutionary acceleration of the rate of economic growth in the industrial era is caused by epoch-making innovations, that is, the acceleration of the development of science gives new opportunities for growth.

Of great economic and practical importance are the studies of the German scientist H. Mensch in the 70s of the last century, who tried to draw a parallel between the rates of economic growth and cyclicality with the appearance of basic innovations. H. Mensh substantiated the provisions on basic, improving and pseudo-innovations, the relationship of long-term cycles in the field of research, innovation and economy. H. Mensch developed a metamorphosis model in which each long cycle has the form of an S-shaped curve that describes the life cycle of a technological system. At the final stage of the previous technological structure, a new structure emerges. At the stage of merging of two life cycles, there is a break in evolutionary development. G. Mensh called it a "technological deadlock", the way out of which is impossible without the development and implementation of innovations. The process of innovative development, according to H. Mensch, is carried out precisely after the phase of depression (Mensch 1979).

H. Mensch's concept was shared by the American economist R. Foster, who in the book "Upgrading production. Attackers win" (Foster 1985) established that innovations follow a certain logic and can be predicted. Based on this, it is possible to estimate the depth of the changes that will take place. And for this, according to R. Foster, organizations should introduce a well-thought-out and concentrated program of accumulating scientific knowledge through research (Foster 1985).

In turn, F. Hayek (Hayek 2014) considered the market as a giant information machine that contains a huge amount of implicit, scattered knowledge about needs and production possibilities, information that exceeds the knowledge that not only an individual person, but society can possess. The expansion of information used by modern entrepreneurs in their daily activities became the impetus for the development of information and intellectual technologies, making it possible to quickly and systematically process huge masses of information (Zacharchenko 2012, p. 30).

The socio-psychological concept of the theory of innovations is related to the priority of human relations in the management of innovative activities. The main place in it is occupied by problems of the role of the individual, behavior, motivation, level of education, analysis of socio-psychological and organizational-sociological factors. For these theories, the main thing is to single out a certain group of individuals as special carriers of innovations. Representatives of this theory are H. Barnet, E. Witte, E. Denison . In their research, the main place is given to the question of the possibility of high innovation rates, which is solved by the theory of stimulants (E. Witte). The object of research here is the obstacles that arise during the introduction of innovations. In order to eliminate them, according to this theory, it is necessary to organize the fruitful joint work of "powerful stimulators" (administration) and "qualified stimulators" (specialists) - a kind of project group, where specialists create innovations, and the administration creates the conditions for their implementation and removing all kinds of obstacles, that is, it helps to transform them into innovations (Krasnokutska 2003, p. 64).

So, in the process of forming the basic theories of development, the concept of "innovative development" acquired new features, which in general determined the following features of it:

- the cyclic nature of development, which, in turn, determined its characteristics such as continuity, unevenness, dynamism and progressiveness;
- revival of the propensity for innovative activity is observed during a recession (recession), during which the necessary prerequisites are created for exiting the crisis state based on the use of innovative development tools;
- the prerequisite for innovative development is the accumulation of loan capital and its investment in innovative products (services);
- the sources of innovative development are inventions and discoveries that form its basis and ensure its acceleration due to their further implementation and commercialization;
- the impact of innovative development on the basic conditions of the economic life of society, the scale of which is determined by the level of its implementation;
- despite such features of innovative development as its uncertainty due to limited information and imperfection of knowledge, there is a possibility of its forecasting, from which such a feature as controllability follows;
- the controllability of innovative development implies its dependence on the human factor and requires the establishment of interrelationships of subjects of all levels through the developed mechanism of its management for the effective course of the process.

The concept of "innovative development" is considered by scientists from the point of view of its management levels: from the level of an individual enterprise to the state (nationwide, regional) level.

S. Ilyashenko (Ilyashenko 2005) considers the concept of "innovative development" from the point of view of entrepreneurship as a business process based on the continuous search and use of new ways and areas of realizing the company's potential in the changing conditions of the external environment within the framework of the chosen mission and accepted motivation of activity and which connected with the modification of existing and the formation of new sales markets (Ilyashenko 2005, p. 23).

S. Bila sees the innovativeness of approaches to regional development in the use of catalysts and multipliers of regional development, namely: "motivation of regions for self-development, diversification of spheres of economic activity, search and use of hidden development potential, overcoming paternalistic expectations, minimization of subsidy and subvention mechanisms for supporting regions " (S. Bila et al. 2011, p. 6).

L. Fedulova understands the innovative development of the economy as the growth of its indicators, ensured due to the implementation of innovative projects and the introduction of innovations (Fedulova 2006, p. 35).

As we can see, the considered definitions do not reflect the entire multifacetedness of the concept of "innovative development", they highlight only some of its aspects.

In our opinion, innovative development is a dynamic process of building up and realizing innovative opportunities that create the basis for achieving strategic priorities, which is carried out under the influence of external and internal factors and is accompanied by appropriate transformations aimed at ensuring the effectiveness of its management.

Emphasizing the role of external factors influencing the course of innovative development, it is worth considering the global transformational processes of today, which testify to the arrival of a new era - the knowledge economy, which is closely intertwined with the innovative, information and digital economy. And it should also take into account the existing challenges of today (social and demographic transformations - silver and inclusive economy, impression economy and behavioral economy; the urgency of preserving and restoring the environment - green and circular economy, blue growth economy).

At the same time, the knowledge-based economy places new demands on all subjects of its development process – from the state to business structures, compliance with which will provide additional benefits and strengthen the position of participants in the competitive environment.

In view of this, there is a need to study the content of the "knowledge economy" category and the implementation of its principles in the process of managing innovative development, which we will consider further.

2. Justification of the terminology "knowledge economy" and research into the directions of its transformation

In today's dynamic and changing operating conditions, the ability to create and use a highly intelligent component of the economy is a key factor in the survival and successful development of any state (region, economic entity).

In the modern world, knowledge has become the most important economic resource, and such nations as the American or Japanese live and successfully develop at the expense of intellectual capital and technology transfer. The competitiveness of business in the global world is based on the knowledge, competences and talents of its intellectual core and the ability to quickly learn and implement new knowledge in practical activities.

All this is extremely relevant today, when the world economy has entered an era characterized by increased international competition, the rapidity of changes, the rapid obsolescence of ideas, the breakneck spread of information technologies and their penetration into all spheres of social life, the unprecedented growth of the influence of science and scientific research developments on socio-economic development of countries. These phenomena indicate the transition to a qualitatively new round of the global economic cycle, which was called the "knowledge economy."

The origins of the concept of the knowledge economy can be found in separate works of the 1960s (Lane 1966; Machlup 1962), but its active development began in the 1990s (Drucker 1993; Quinn 1992; Toffler 1995). In the middle of the 20th century the American scientist N. Wiener (Wiener 1948) emphasized the unique ability of information to multiply qualitatively in the process of its use, noting: "Information is information, not matter and not energy. That materialism that does not recognize this cannot be viable in the present time" (Wiener 1948, p. 208).

The concept of knowledge economy is a kind of theory of post-industrial society, the founders of which were D. Bell, Z. Brzezinskii, E. Toffler (Bell 1976; Brzezinski 1970; Toffler 1989; 1990; 1995). The emergence of this theory is due to the need to synthesize structural changes of a socio-economic nature in developed industrial countries in the 60-80s of the 20th century, when technological factors of development began to prevail over political and social ones. This period is characterized by a significant acceleration of technical progress, a shift from the production of material goods to the production of services and information, a rapid transformation of the employment structure, and a change in the motives and nature of human activity.

Representatives of the theory of post-industrialism distinguish three main stages of the development of society: agrarian, industrial and post-industrial. We propose to present the characteristic features and ideas of each era in the following form, Table 2.

The beginning of systematic work in the direction of researching a new theory of social development in 1965 was initiated by the functioning of the Futurological Commission under the leadership of the vice-president of the American Academy of Arts and Sciences, professor of Columbia and Harvard University D. Bell.

The results of the work of the futurological commission were presented in a special collection (Toward the Year 2000. Work in Progress) (Ed. by Daniel Bell and Stephen R. Graubard 1968), where the concept of post-industrial society was presented as the basis for studying the prospects for the development of social progress. According to D. Bell , it is precisely with the processes of mass transformation of machine technology into intellectual that the trends of transformation of the economic system into a "post-industrial society, where the center of gravity moves to the service sphere, and the sources of innovation are concentrated in intellectual institutes, mainly in universities and scientific -research institutions, not in industrial corporations" (Ed . by Daniel Bell and Stephen R. Graubard 1968).

Table 2

Characteristics of the main stages of the development of society

Features	Stage of development of society		
	Agrarian	Industrial	Post-industrial
The main resource of the economy	Earth	Natural resources Capital Labor	Knowledge
Leading branches of the economy	Agriculture	Industry	High-tech industries
The nature of basic technologies	Labor intensive	Capital intensive	Science-intensive
Institutions producing innovations	Agricultural farms	Industrial corporations	Intellectual institutes (universities and research institutions), corporations
The nature of social relations	Human interaction with nature	Man's interaction with nature transformed by him	Interaction between people
Type of development	Extensive	Extensively intensive	Intensive

The concept of post-industrial society, as noted by D. Bell (Ed. by Daniel Bell and Stephen R. Graubard 1968), is a broad identification, its meaning is easier to understand by distinguishing five components of this concept:

- sphere of economy: transition from production of goods to production of services;
- sphere of employment: predominance of the class of professional specialists and technicians;
- axial principle: the leading role of theoretical knowledge as a source of innovations and policy determination in society;
- future orientation: control over technology and technological assessments of activity;
- decision-making process: creation of "new intelligent technology".

The ideas outlined in D. Bell's concept were developed by the American scientist E. Toffler, who conducted an analysis of social currents in the "Third Wave" study. The author considers history as a sequence of waves that bring changes, and focuses attention not so much on the course of history itself, but on breaking moments and innovations (Toffler 1989). E. Toffler saw the development of the Third Wave more in a huge leap in the intellectual sphere of society, rather than in computerization and financial manipulation. The economic and political structures of the Third Wave are characterized by such an amount of data that many times exceeds those available in previous generations, while society has learned to harmonize the available data, considering them in a certain context, thereby turning them into information, building information arrays into knowledge in the future. As a result, the peoples of the Third Wave civilization sell information and innovation, management, culture and pop culture, new technologies, software, education, pedagogy, medical, financial and other services to the world. However, according to E. Toffler (Toffler 1989), the new civilization meets strong resistance on the way, because the arrangement of forces in the world is changing, moving towards a radically new structure of forces, which divides the world not into two, but into three clearly defined civilizations: the symbol of the First, as before, is a hoe, the Second - the conveyor, and the Third - the computer. Perhaps the symbol of the fourth wave will soon be considered "bare" knowledge.

The priority of the technological aspect of the development of society is traced in the work of Z. Brzezinski "Between two centuries: the role of America in the technotronic era" (Brzezinski 1970, c. 61), in which the author forecasts the development of capitalist civilization on a technocratic basis. At the same time, culture, psychology, social life and the economy are formed in direct dependence on technology, especially electronics: computers, information networks, mass media, and political struggle and social conflicts at the same time lose their decisive importance. Unfortunately, the last forecast is not coming true today, but is only being transformed through hybrid wars and the confrontation between the democratic world and terrorists and dictators.

The theorists' efforts were aimed at substantiating the realities of post-industrial society, its general features, and identifying the main factors influencing the individual. D. Bell defined the transition from the production of things to the production of services as the main feature of the post-industrial society. And in the 60s and 70s of the last century, this was no longer a bare theoretical statement, because the number of employees exceeded the number of workers for the first time in 1955 (Bereza 2004).

So, the first direction united scientists who saw the development of the economy of a new civilization in a giant leap in the field of technology and computerization. This approach, like the entire conceptual line of post-industrialism, has features of technological determinism, which became the reason for its criticism by researchers - supporters of the concept of post -modernism, which was widely spread in futurological studies of the 80s and 90s of the 20th century.

The second approach is related to the definition of a new state of civilization through the analysis of its individual characteristics - in particular, information processes. For the first time in a sufficiently clear form, the idea of information society was formulated in the late 60s - early 70s of the 20th century. In contrast to the concept of post-industrialism, the concept of information society was developed primarily to solve the problems of socio-economic development of Japan. The term "information society" was first used by Y. Hanshi, a professor at the Tokyo Institute of Technology. The theory of the information society began to be developed in the works of such authors as R. Katz, Y. Masruda, M. Porat (Katz 1988: Masuda 1981; Porat 1987). The contours of the information society have been outlined in reports provided to the Japanese government by a number of organizations: EPA: Economic Planning Agency – "Japan's Information Society : Themes and Visions" in 1969; JACUDI: Japan Computer Usage Development Institute - "The Plan for an Information Society" in 1971; ISC: Industrial Structure Council – "Policy Outlines for Promoting the Informatization of Japanese Society" in 1969. In the reports, the information society was defined as one where the process of computerization will give people access to reliable sources of information, relieve them of routine work, and ensure a high level of automation of production. At the same time, production itself will also change - its product will be more "information-rich", which means an increase in the share of innovation, design and marketing in its value due to the information content of all these processes.

It is worth noting that information technologies are also recognized by modern scientists as a powerful stimulus for the development of the economy. Researchers single out four information revolutions that have occurred throughout human history. The first was connected with the emergence of writing, which provided an opportunity to preserve knowledge for future generations. The second was the result of the invention of printing: knowledge began to spread actively, which radically changed society and culture. The third information revolution, caused by the appearance of the telephone, telegraph, radio, and television, made it possible to quickly transmit information over any distance. The fourth - connected with the invention of the computer, the development of electronic computing technology - led to the formation of the information society.

New concepts of post-industrialism are connected, first of all, with the researches of P. Drucker and M. Castells (Drucker 1993; Castells 1996). P. Drucker contributed to the genesis of the concept of post-industrialism in 1995, publishing the book "Post-Capitalist Society", in which he expressed his views on the current state and prospects for the development of Western civilization (Drucker 1993). P. Drucker considers the processes of automation and informatization as replacing labor with knowledge, industrial-type proletarians are replaced by workers of intellectual labor, "who possess skills and information as a necessary set of labor tools... in a way that unskilled factory workers could never possess" (Drucker 1993).

According to M. Castells (Castels 1996), the global economy and international financial markets are the main features of the new economic system. Such a society is characterized by a broad possibility of obtaining information from any direction; the presence in the state of information technology necessary for work and the corresponding infrastructure, which makes it possible to create, maintain and develop a complex of information resources that ensure the dynamic development of society; wide development of communication networks that connect separate regions and continents; information transfer on a global scale; ensuring the formation of a single world information space.

At the end of the 90s of the last century, the term "knowledge economy" became widespread, connected with the establishment of new strategic priorities in the policy of the countries of the European Union. Specialists of the World Bank, the Organization for Economic Cooperation and Development, the European Union, the United Nations, and other world and various European associations have begun to actively study issues related to the development of the knowledge-based economy.

Since the concept of "knowledge economy" was introduced into economic science relatively recently, its supporters have not yet managed to find an interpretation that is acceptable to everyone. Let's consider the views of various scientists on the main categories of the "new economy". One of the problems faced by researchers in the knowledge economy is the lack of agreement on the terminological aspects of this concept. The following possible variants of terminology are used in the literature: knowledge economy (knowledge-based economy, knowledge society), new economy, information economy (information society), post-industrial society, lifelong learning society, digital society, network intelligence society, global society, silicon society.

In our opinion, the term "knowledge economy" most accurately reflects the essence and meaning of the concept under consideration. Undoubtedly, in the modern conditions of the formation of a new structure of the state, there is a need to transform almost all of its quality parameters (economic, social, cultural, etc.), but a special role is played by radical changes in the country's economy. Such a focus mainly on the transformation of an economic nature (which definitely requires a corresponding reorientation of the entire social system) leads, in our opinion, to the use of the term "economy" rather than "society".

Interpretations of the second component of the term are more diverse. However, one part of them (in particular, the signs "post-industrial", "new", "global", etc.) emphasizes only the transition to the next stage of the development of the economic system, while the other (signs "digital", "network", "silicon", etc.) does not characterizes the unconditional determinant of the new era, and defines only another means of its production and transfer. After all, even very high media capabilities cannot ensure the production of a high-quality final product, as they do not affect the nature and level of the created knowledge in any way.

So, the term "knowledge economy" is due to the name of the main resource of the modern economy - knowledge. Information and knowledge are not equivalents, you cannot put an equal sign between them. The very concept of "knowledge", and not "information", more accurately and generally reflects the main factor that forms the lion's share of the cost of production (works, services) in the new economic conditions. In the new economy, knowledge has become the main factor of production, which is due to the fact that it is information in the form of systematized data that makes it possible to increase the economic wealth of society. Therefore, the use of the category "knowledge economy" provides a more accurate description of the new stage of development of the world economy.

Given the fact that the development of a knowledge-based economy involves the passage of the early stages of economic transformation, the use of the term "information economy" is permissible when characterizing the stage that precedes the formation of a knowledge economy. Characteristic features of the information economy are the emergence and spread of information and computer technologies, the creation of information infrastructure, conditions that increase the availability of information to broad segments of the population, which is the basis for the formation of an economy in which new technologies are a means of introducing innovations into high-tech sectors of the economy, - innovative economy. Compared to the "innovation economy", significant attention in the knowledge economy is paid to such a component as education. Taking into account the acceleration of the pace of technology development in recent years, continuous education throughout life becomes an important condition for the effective development of the knowledge economy (Geets 2006, p. 17).

Summarizing the above, the main differences between traditional, informational, innovative and knowledge economies can be presented in Table 3.

Table 3

Characteristic features and main differences in the understanding of the concepts of "new economies"

Features	Traditional economy	Information economy	Innovative economy	Economy of knowledge
Conditionality of the formation of the economy	Availability and understanding of the profitability of using natural resources	Spread of information and computer technologies	Strengthening the process of globalization, intensifying competition	Intensive production of new knowledge, the need for its codification
The main characteristic	Limitation of technical progress, use of natural resources	Wide application of information technologies in business	Implementation of innovations in high-tech sectors of the economy	Intensive production, transfer and use of knowledge in all spheres of life
Basic resources	Natural resources, capital, labor	Information	Information	Knowledge
Basic technologies	Labor-intensive, capital-intensive	Informational	Science-intensive	Biotechnology Nanotechnology
Areas of innovation implementation	Industrial sector of the economy	Branches of the economy	High-tech industries	All spheres of society
The main subjects of economic development	State, business structures	Business structures, research institutions	Research institutions, corporations, the state	The state, scientific and educational institutions, corporations
The main components of the economy	Branches of industry	Branches of the information technology sector, the service sector	High-tech industries, science	Science, education, high technology industries
The main indicators signaling the development of the economy	The share of mining and processing industry in income and employment; the share of raw materials and materials in exports	Number of telephone lines, mobile phones, Internet users per 100 people; use of information technologies in business	The share of the knowledge-intensive sector in income and employment; expenses for scientific research ; number of patents; indicators of information technology development	Indicators of educational level and potential; indicators of the development of the scientific research sector and information technologies ; quality of economic regulation; the development of electronic services

As mentioned earlier, the main determinant of the new economic structure is resources, which play a significant role in the formation of the gross domestic product. It is the active use of the resources of the new economy that affects the choice of technologies, areas of innovation implementation, while transforming the structure of the economy and involving more and more new participants in the process - the subjects of its formation. The defining distinguishing factor of the concepts of "new economies" is the system of elements that signal their formation, shown in Fig. 1.

If it is possible to draw conclusions about the formation of the information economy on the basis of facts that testify to the boom in information and communication technologies, the developed information infrastructure, the profound impact of computerization on business processes, then the transition to work in the conditions of the innovative economy is characterized by the presence of an effective innovative system that ensures active commercialization of research and development.

In order to ascertain the country's success in building a knowledge-based economy, a whole set of elements is necessary, in particular:

- developed education system, its availability and continuity;
- an effective innovation system that ensures the synergy of science-education-business and government;
- developed information infrastructure as a supporting factor in the processes of generation, transfer and commercialization of knowledge;
- favorable institutional regime as a stimulating factor of development based on withdrawals;
- electronic government, which ensures high efficiency and transparency of the exercise of authority, supporting feedback from society.

So, although the understanding of the knowledge economy by various specialists is largely intertwined, there is still no clear unanimous definition of the essence of this concept.

First of all, it is worth revealing the essence of the "knowledge economy" category based on its place in the process of the historical genesis of the post-industrial economy. From this point of view, the knowledge economy is a product of the development of information and innovation societies, which were characterized by the emergence and formation of high-tech industries and created conditions for the formation of a knowledge-based economy.

From this point of view, the periodization of the formation of the knowledge economy, proposed by S.V. Vizirenko (Vizirenko 2012), which includes five stages: "stage of technological breakthrough", "stage of competition of scientific knowledge and technical improvement of production", "stage of scientific and innovative revolution", "stage of information and knowledge revolution", "stage of civilization of knowledge ". Supporting the ideas of S.V. Vizirenko, we should note that the transition to a new stage of the formation of the knowledge economy really occurs through the passage of a "revolution" caused by transformations in certain spheres of social life.

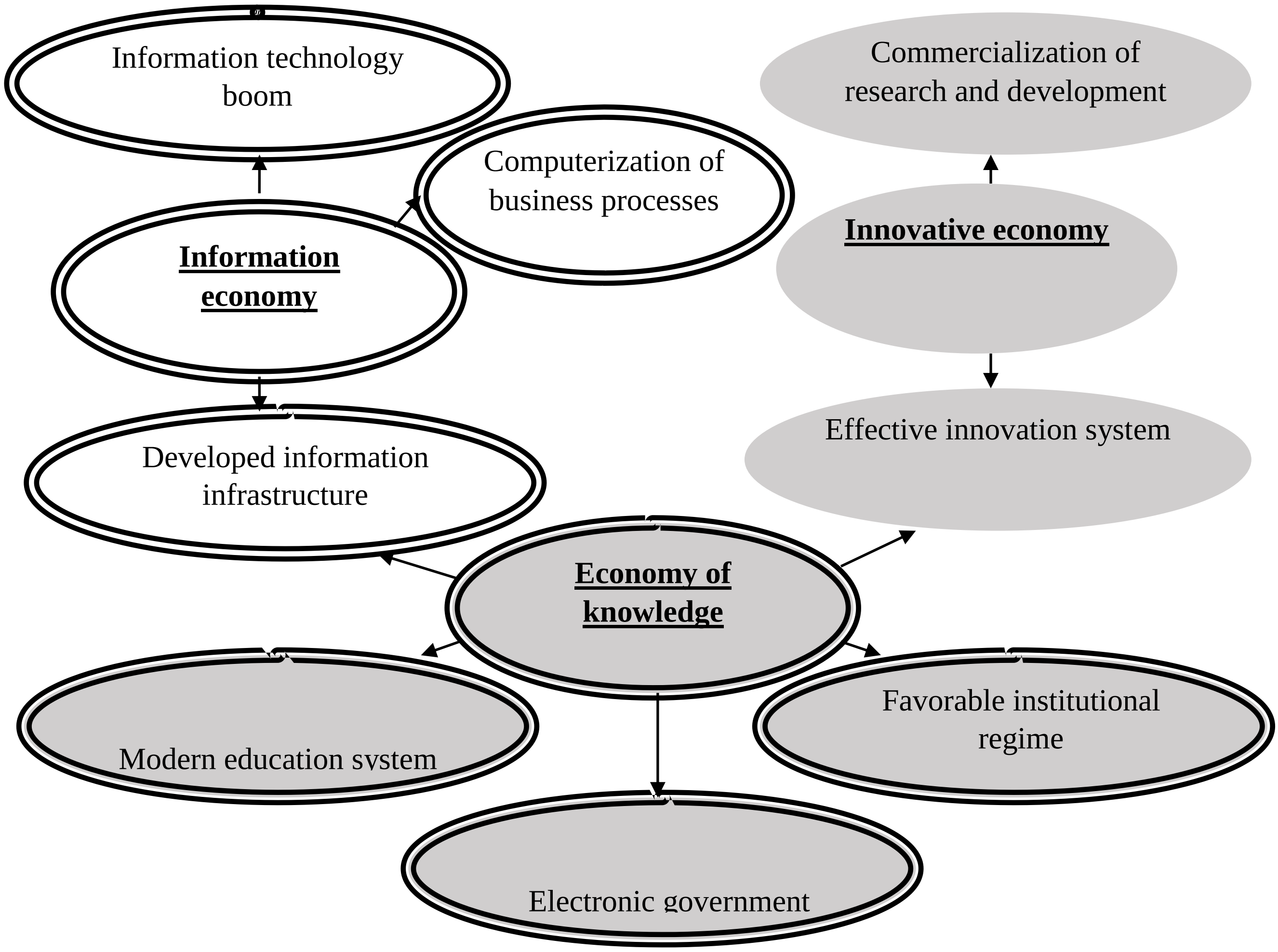

Figure 1. A system of elements signaling the formation of a post-industrial economy

In the middle of the 60s and 70s of the 20th century, the "scientific and innovative revolution" begins, the characteristic feature of which is that science begins to act as a leading factor of production, which has an impact on all other factors of economic development. Fundamental research is increasingly focused on solving large-scale technical and technological problems, the result of which are radical changes in the economy, which, in turn, contributed to the development of science itself (Vizirenko 2012, p. 46). Trends in the introduction of scientific developments into production, the unification of the interests of science and business created the prerequisites for the formation of an innovative economy.

From the mid-70s to the 90s of the 20th century, the "informational and scientific revolution" continued. At this stage, the spread of information and knowledge gained the greatest speed: the information industry facilitates very fast and large-scale processing, transmission, preservation, distribution and unhindered access of scientific ideas and knowledge to a huge number of people, at any distance in real time. There is intensive equipment of production with computer equipment and information technologies, thanks to which an opportunity is created to optimize economic processes, and in economic activity to spread energy-, resource-, material-, labor- saving and ecologically clean technologies. The mid-90s of the 20th century - the beginning of the 21st century is characterized by an increased role of knowledge in socio-economic processes. This stage is recognized as the stage of "civilization of knowledge" (Vizirenko 2012, p. 46).

The passage of these "revolutions" leads to the achievement of the highest level of development of the economy of the post-industrial period - the knowledge economy. Thus, in a broad sense, the knowledge economy is an economy in which the main factor of competitiveness is the ability to effectively produce, distribute and use knowledge in all spheres of society, exerting a decisive influence on the economic growth of the country, region, individual economic entity.

In this context, such a factor as knowledge becomes decisive not only in the field of highly intelligent services, service and information communications, but also plays a significant role in medium and low-tech industries, increasing the level of productive forces of the country as a whole. As a result, the unprecedented growth of the influence of science and new technologies is the main factor in the permanent economic growth of both the economic entity and the country as a whole.

Thus, the main goal of the policy of sustainable economic development of the state should be to ensure, on the one hand, support for the processes of knowledge generation and transfer, and on the other hand, the integration of science and high technologies in all branches of the country's economy. This will ensure the formation of a strong national innovation system, which, in turn, will create conditions for the activation of knowledge economy development processes at the regional and individual enterprise levels.

On the other hand, the coordination of actions between the subjects of state administration and local self-government at the national and local levels and the active use of regional resources will significantly increase the effectiveness of the implementation of measures for the development of the knowledge economy, and in the long term, the result of the policy of forming and supporting the functioning of effective regional innovation systems will be the strengthening of the national innovative system.

This gives reason to assert the mutually determined inverse influence of the formation of the knowledge economy at different levels and the existence of a synergistic effect from the efforts of all subjects of the national innovation system. Such conclusions confirm the need for a systematic study of the problems of managing innovative development in the conditions of the knowledge economy.

3. Management of the innovative development of the region on the basis of the knowledge economy

New challenges of the external environment, caused by transformations on the way to a knowledge-based economy, require a review of the existing management model of economic systems at different levels (country, region, enterprise) and their restructuring to ensure innovative development based on the knowledge economy.

Effective management of the innovative development of the region on the basis of the knowledge economy is based on a combination of the main methodological principles of regional development management and the rules dictated by the knowledge-based economy.

The economic dictionary edited by Y. Zavadsky gives the following definition of the concept of "principle" - the main, initial position, the rule of activity of the organization in any field or the rule of behavior of an individual (Zavadsky 2006, p. 250).

According to V. Todosiichuk, effective management of regional development, including innovative management, is based on the following principles:

- implementation of state regional policy by all authorities;
- taking into account the interests of central authorities in solving problems and features of regions;
- increasing the independence of regions in solving their own problems, i.e formation of effective self-management based on self-financing (Todosiichuk 2008, p. 291).

Considering the fact that the innovative development of the region based on the principles of the knowledge economy involves the calculation of both the principles of territory management and the principles of the knowledge economy, the considered rules should be supplemented with those that the knowledge-based economy puts before them.

Interesting in this context are the studies of L. Melnyk (Melnyk 2010), who highlighted the following principles of the knowledge economy:

- the principle of the trinity of natural principles. The functioning and development of systems existing in nature and society take place on the basis of the unity of essential principles: material and energy potential, informational reality and synergistic phenomenon. They form a single mechanism, interact and reproduce the functional features of the natural essence. The energy potentials of the system, which are created by the matter-energy nature, determine the ability of the system to perform work (change or maintain its parameters). Informational characteristics fixed by the system's memory ensure the orderliness of potential realization. Synergistic properties cause the interaction of individual parts of the system with each other, as a result of which they act in concert, uniting into a single whole. The system achieves maximum efficiency when each of the mentioned groups of factors of the triune system formation mechanism meets the goals and objectives of its functioning;

- the principle of ensuring self-reproduction of systems. During the transition to the information society, in which the pace of socio-economic development is increasing, the following principle is actualized: social and technical design should provide the systems being created with self-reproduction and self-improvement mechanisms;
- the principle of ensuring self-organization of systems. It is necessary not only to construct a system capable of performing certain work functions, but also to equip it with a mechanism that would reproduce the material and energy supply and adjustment to the optimal mode of operation, in particular, adaptation to changes in the external environment. Designing engineering and social systems requires technical and organizational prerequisites for self-organization, which determines their functioning in the most efficient stationary modes;
- the principle of systemic life cycle. In the knowledge economy of the future, the task of transitioning from designing products to designing their life cycles in all the complexity and variety of system connections, including the phases of completing the "life" of products and technologies, i.e. achieving the closure of these cycles, will inevitably arise;
- the principle of taking into account the co-evolution of systems. During technical and social design, it is necessary to take into account the rates and trajectories of the evolution of the created systems capable of self-development, as well as the possible consequences of their co-evolution with other systems. It is advisable to provide mechanisms for external and internal blocking of the created entity, if its existence will pose a threat to man, nature and other important systems;
- the principle of instrumentalization of the triune evolutionary mechanism. By changing the prerequisites for the manifestation of the factors of the triune evolutionary mechanism (variability, heredity, selection), it is possible to regulate the rate of development of systems, for example, socio-economic, accelerating or slowing them down;
- the principle of optimizing the ratio of stable and variable components. For the sustainable development of the system, it is necessary to observe the optimal ratio of its stable and variable components;

- the principle of using the effect of space-time expansion. The effect of "expansion" of space-time, caused by the intensification of information activity, gives grounds for formulating the following principle: decision-making on the development of socio-economic systems should be based on the maximum realization of the accumulated information potential in space and time;

- the principle of technologization of transformations. An important feature of future transformations should be the ability to bifurcate. In contrast to adaptive changes (in which the system preserves the basic properties of the structure, most of its functions and internal system connections), bifurcations cause significant qualitative changes, due to which the connections between system elements are rearranged, their character becomes non-linear, there is a multivariate continuation of the trajectory development of the system, prerequisites are created for the irreversibility of such a state that its system perceives as a crisis, collapse, catastrophe. In the conditions of frequent socio-economic changes, it is expedient to formulate the principle of the need to develop and improve the technology of implementing typical procedures of transformations based on bifurcations in technology and economy;

- the principle of de-materialization of transformational processes (transformer principle). Transformations in the economy are happening more and more often and cost more and more. A person constantly changes his attitude to production technologies and consumer goods, but the technologies of the transformations themselves hardly change. They, as before, remain resource- and capital- intensive. The transition to the knowledge economy encourages the de-materialization of transformational processes, in particular, with the help of the total application of the "transformer principle", which makes it possible to maximally change the information content with minimal replacement of the material component of the systems (Melnyk 2010, p. 20-26).

A review of the principles of regional development management and the knowledge economy considered in the scientific literature allowed us to draw a conclusion about the possibility of their systematization in the following areas:

1) principles determining the necessary characteristics of the system;
2) principles reflecting the peculiarities of the knowledge economy;
3) principles of organizing further actions.

The following are among the principles that determine the necessary characteristics of the system:

- the principle of dynamism is related to the need for rapid reorientation of managerial influence in accordance with new challenges of the external environment, including those caused by the formation of a knowledge-based economy;

- the principle of self-improvement - includes such characteristics of the system as self-organization, self-regulation, self-development, self-learning. By means of design, the system must be provided with self-improvement mechanisms capable of adjusting it to the optimal mode of operation in accordance with the challenges of the external environment;
- the principle of comprehensiveness – involves joining the efforts of the state, regional authorities, scientific and educational sectors, business structures, the public in the direction of activating innovative development, using the advantages of a developed knowledge economy;
- the principle of reasonableness - consists in the coherence of the actions of all participants of the "state - education - science - business" chain in the context of decision-making on the activation of innovative development, based on the objective needs of the market. This means that the needs for the training of specialists of the necessary specialties and qualifications, for conducting scientific research and development in relevant directions, dictated by the external environment, will be satisfied by the educational and scientific sectors and will form the basis for the production, transfer and commercialization of knowledge by the business sector. The task of the state in this direction is to coordinate and stimulate innovative development, taking into account the needs, resources and capabilities of all participants in the process;
- the principle of adaptability – is explained by the necessity of the transition of the region to work in the conditions of the knowledge economy, which requires appropriate transformations in accordance with the new challenges of the external environment;
- the principle of effectiveness - implies an excess of the effects of the activation of innovative development over the costs of its stimulation. It is worth noting that the effects can be both economic, which in most cases are easily measured in monetary terms, and social, which are expressed mainly in qualitative indicators;
- the principle of alternative development options – implies the need to forecast the innovative development of the region and is related to the variability of the external environment, quick and painless adaptation to changes in which is possible only under the conditions of the presence of alternative scenarios of the course of events;
- the principle of balancing the interests of the subjects of innovative development is to ensure the interests of all participants in the process of production, transfer and commercialization of knowledge;

- the principle of resource provision of innovative development is related to the need to attract various kinds of resources (material, financial, human, informational) to ensure process management.

The principles reflecting the peculiarities of the knowledge economy are formed based on the following features:

1. Knowledge economy is an economy that creates, distributes and uses knowledge to ensure its growth and competitiveness. This is an economy in which knowledge is provided by all industries, all sectors and all participants in economic processes. This is an economy that not only uses knowledge in various forms, but also creates it in the form of scientific and technical and various high-tech products, highly qualified services, and education.
2. The knowledge economy is associated with high-tech industries, especially information and communication technologies. The main thing in the knowledge economy is not so much to create new knowledge, but to use it productively.
3. The nature of the knowledge economy largely depends on its ability to operate in a network structure.
4. In modern conditions, expert communities that quickly analyze, analyze, reject or support any statement form the core of the knowledge economy and exist on almost every topic, providing support, protection, criticism and future planning of the organization around which they were formed.
5. What is fundamentally new at this stage is that the economy began to include not only the technologies themselves, but also the entire knowledge production mechanism, that is, the knowledge economy is not only the production economy. These are universities, and fundamental science, and the communications system, and the patent system, and applied science, research and development.
6. There is a particularly close connection between knowledge and technological development. Any new technology for creating an intellectual product, any new institution within which transactions are carried out, is always a "clump" of new knowledge (Fedulova, Korneeva 2010, p. 78-79) .

So, the following are among the principles that reflect the peculiarities of the knowledge economy:

- the principle of multi-functionality of knowledge is related to the variety of forms, functions and limits of application of knowledge in the new economy;
- the principle of productivity - stems from the futility of "knowledge for the sake of knowledge", because the ultimate goal of generating knowledge is its productive use;
- the principle of systemicity – means the dependence of the ability of the regional economy to generate innovations not only on the actions of individual

subjects, but mainly on how they interact in the middle of the network as elements of the system, and is related to the concept of regional innovation systems;

- the principle of multi -subjectivity is related to the involvement of a whole range of participants (business, the sphere of education and science, the public sector) in the process of knowledge production, in addition to direct producers;
- the principle of technological breakthrough - connects the creation of new technologies with the generation of a whole set of new knowledge.

In addition, the principles of the knowledge-based economy are related to its basic requirements for the elements that signal its development. The set of these elements is discussed in detail above and includes:

- developed education system;
- effective innovation system;
- developed information infrastructure;
- favorable institutional regime;
- electronic government.

The specified determinants of the transition of the region to work in the conditions of the knowledge economy dictate the following principles, which determine the direction of the organization of further actions:

- the principle of continuous learning is related to the high speed of updating knowledge and obsolescence of information. Today, the ability to constantly accumulate knowledge is a condition for the success of all business entities and government structures. In this context, the task of the regional authorities is to promote the development of the educational sector, to ensure the availability and quality of education;
- the principle of innovative orientation of the region's strategy - involves the use of an innovative development strategy as a powerful tool for achieving the goals of the regional government, which directs the actions of actors in accordance with internal and external conditions and provides for the multivariate scenarios of the course of events;
- the principle of intensification of the managerial influence of the regional authorities - stems from the need to build an effective regional innovation system, the prerequisites of which from the point of view of the regional aspect are: in the improvement of the organizational and economic mechanism of the state management of innovative activities; organizational and functional transformation of the innovative potential of the region, development of innovative infrastructure ; formation of the motivational component of activation of innovative activity; involvement of the foreign economic mechanism for the development of innovative potential;

- the principle of information and technical support – provides for the acceleration of the processes of creation, transfer and implementation of knowledge using the capabilities of the developed information infrastructure of the region;

- the principle of ensuring the efficiency and transparency of the regional government through the development of the electronic government model.

It is worth noting that the need to ensure innovative development through the implementation of the principles of the knowledge economy is relevant not only for individual regions, but also for the economic system as a whole. Moreover, the innovative development of the region on the basis of the knowledge economy should be based on national rules and directions of action.

The main principles formed from the point of view of the implementation of the formula of the innovative type of socially dominant development "knowledge - opportunity - motivation - action - result" proposed by O. Yevseeva:

- strategic goal-setting is determined by the need to see the long-term perspective of Ukraine's development based on the activation and development of the existing potential based on the development of a strategy for the socially dominant development of territories;

- availability of resources presupposes the presence of the necessary potential for the implementation of an innovative type of socially dominant development;

- the balance of interests and social responsibility is the most important motivation and establishes the rules of functioning and interaction of national agents through the formation of relevant institutions;

- integration of business and social activity of various internal and interregional agents, contributing to the growth of general innovativeness and competitiveness of the system of socially dominant territorial development;

- effectiveness implies obtaining economic, social, ecological, scientific and technical and other results from the implementation of innovations, as well as the direct formation of an evaluation system of the implemented measures (Yevseeva 2012).

Such a set of principles is interesting from the point of view of managing the process of innovative development, along with the fact that, like the previous ones, it does not fully reveal the necessary elements for the formation of a knowledge-based economy. However, in general, the macro-level principles reflect the position of the innovative development of the region on the basis of the knowledge economy, especially in the context of the organization of actions, which is shown in Fig. 2. It is obvious that there is a relationship between other groups of principles of the national and regional levels. All this serves as an additional argument in favor of multi-level management of innovative development on the basis of the knowledge economy, which will ensure a synergistic effect by all its subjects.

Therefore, in our opinion, the development of the knowledge economy in the region should be accompanied by a consistent, resource -secured state policy aimed at building a knowledge-based model of economic development, effective reform of the spheres of education, science, and high technologies.

An important role in these processes should be played by the regional factor of strengthening the synergistic effect of political actions. Regional management of innovative development on the basis of the knowledge economy is carried out using a set of various management methods.

Studies of the theoretical and methodological foundations of innovative development on the basis of the knowledge economy allow us to draw a number of conclusions.

The issue of ensuring their development based on innovations plays a significant role in the context of supporting and increasing the competitiveness of regions. Having considered the genesis of the theories of new economies and its influence on the formation of the concept of "innovative development", its key features were highlighted.

The analysis of the views of modern scientists on the interpretation of the concept of "innovative development" showed that the definitions of most authors do not reflect the entire multifaceted nature of the concept, highlighting only its individual aspects. In our opinion, the innovative development of the region is a dynamic process of building up and realizing innovative opportunities that create the basis for achieving the strategic priorities of the territory, which is carried out under the influence of external and internal factors and is accompanied by appropriate transformations aimed at ensuring the effectiveness of its management.

The existence of vagueness in the demarcation of concepts characterizing new economic conditions was established. The concepts of traditional, informational, innovative and knowledge economies are distinguished from the point of view of their resource provision. The work stipulates the use of the term "knowledge economy" to characterize the higher level in the process of the genesis of the post-industrial economy.

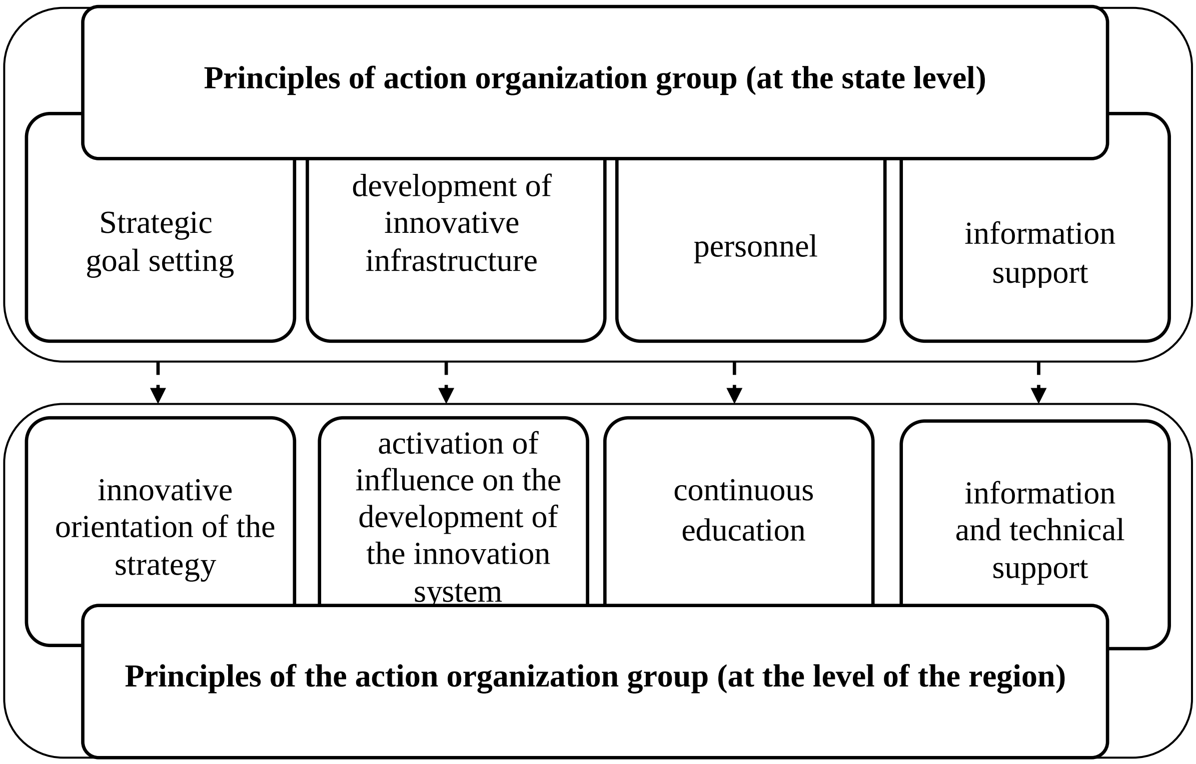

Figure 2. Interrelationship of the principles of innovative development on the basis of the knowledge economy at the national and regional levels

Research was conducted on the transformation of the "knowledge economy" category starting from the middle of the 20th century, based on the conditions that caused such changes, and the peculiarities of scientists on the main categories of the new economy were considered.

The views of modern scientists on the principles on the basis of which the development of the region is managed, including innovative ones, are studied. It is substantiated that in the conditions of the formation of a knowledge-based economy, regional management should be based not only on the principles of innovative development, but also take into account the principles of the knowledge economy.

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CHAPTER 2

MODERN MANAGEMENT TOOLS IN THE INCLUSIVE ECONOMY

2.1. INCLUSIVE ECONOMY IN CONTEMPORARY MANAGEMENT MODELS: DEFINITION, GLOBAL CHALLENGES, AND ITS ROLE IN ACHIEVING SUSTAINABLE DEVELOPMENT

1. Definition of inclusive economy and its essence in contemporary management models

In recent years, the global public discourse has been actively discussing the necessity of transitioning to a more socially inclusive approach in contemporary management models to achieve economic growth. In this context, inclusion refers to a state of society where the vast majority of its members perceive themselves as beneficiaries of the results of economic growth.

The word "inclusion" means "the act or state of including or being included within a group or structure." The concept of inclusion emphasizes increasing the participation of all citizens in society, with particular attention to those who may have difficulties in physical development. The economic aspect of the idea of inclusivity can be explained in the works of well-known contemporary economists D. Acemoglu and J. Robinson. They define "inclusive" as a process in which everyone, without exception, is involved, regardless of differences or limitations (Acemoglu D., Robinson J., 2016).

The concept of "inclusive development" has emerged in response to contemporary challenges such as increasing inequality, poverty reduction, and the emergence of social and economic disparities in the development of different regions and social strata. The focus of economic elites on ensuring economic growth without considering social justice has proven to be ineffective in building the prosperity of the country (Tsymbaliuk I. O., 2019). This has led to the necessity of developing a new theory that combines the principles of sustainable development and specific mechanisms for involving various segments of the population in active economic activity and the distribution of social income.

The concept of inclusive development underscores the importance of stable growth that encompasses all sectors of the economy and involves a significant portion of the country's workforce. It also emphasizes the need to distribute this growth evenly among all strata of society, ensuring equal opportunities and access to the labor market and resources.

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Therefore, inclusive development is an idea that recognizes that economic growth should benefit all members of society, and it is associated with the pace and nature of this growth, as well as how the results of this growth are distributed throughout the country.

Inclusive economics represents an approach to development that aims to provide access to economic opportunities and resources for all members of society, regardless of their status, social background, physical characteristics, or other attributes (Tsymbaliuk I. O., 2020).

Inclusive economics is based on the principles of equality and justice, seeking to reduce differences in access to resources and opportunities among different population groups. It emphasizes the inclusion of all citizens in the processes of economic development and ensuring their decent quality of life.

In modern management models, inclusive economics is recognized as a key element of strategic planning and decision-making. It requires leaders in organizations and government structures to consider the needs and interests of various population groups when developing and implementing economic policies and programs.

Inclusive growth is a concept that has various definitions and approaches depending on the context and perspective (Tsymbaliuk I. O., 2021). This concept is actively used in global economic discussions and is examined by various international organizations and economists. Below is a table that outlines the main approaches to defining inclusive growth and its relationship with the concepts of inclusion and inclusive development:

Table 1.1

Key Approaches to Defining Inclusive Growth

Approach / Definition	Characteristic	Relationship with Other Concepts
World Bank (Inclusive Growth Commission, 2017)	Stable growth encompassing all sectors of the economy and involving a significant portion of the country's workforce.	Inclusive growth is a subset of inclusive development.
European Commission (Europe 2020)	Ensuring a high level of engagement from all segments of the population, investing in education, combating poverty, and modernizing labor markets.	Inclusive growth is one aspect of inclusive development.
Organization for Economic Cooperation and Development (Inclusive Growth, 2020)	Economic growth that is fairly distributed throughout society and creates opportunities for everyone.	Inclusive growth complements the concept of inclusive development.

From the table, it is evident that inclusive growth is associated with equality of opportunities and the distribution of economic success among all segments of the population. It is a subset of both inclusive development, which encompasses other aspects such as education, poverty reduction, and social cohesion.

Inclusive economic development, as defined by Vdovichen A. A. and Vdovichenko O. G. (Vdovichen, A. A., Vdovychena, O. G., 2019), is the formation of balanced and stable growth, focusing on inclusivity indicators such as the level of social inclusion in socio-economic processes, access to resources, productive employment, income and opportunity equality, as well as ecological sustainability. This is achieved through the implementation of inclusive, investment, and innovative programs. Inclusive development and growth require ensuring social protection for vulnerable population groups, reducing poverty, and addressing inequality issues in any form, while promoting a swift transition to a more open and integrated economy.

Inclusive economics, in turn, is a practical manifestation of inclusive development and growth. It defines specific economic policies, programs, and measures aimed at achieving inclusive goals in areas such as employment, financial inclusion, entrepreneurship, and other economic aspects. Inclusive economics aims to create conditions for the development and self-realization of all citizens, regardless of their personal characteristics and circumstances.

Overall, inclusive economics is one of the key components of inclusive development and growth, which aim to create a more just, equitable, and sustainable society where all citizens have the opportunity to participate in the economic process and benefit from economic success.

Inclusive economics represents a modern economic concept that has gained significance in the global economic discourse in recent decades. It is based on the principle of creating a society in which every individual, regardless of their personal characteristics and circumstances, has equal access to economic opportunities and resources necessary for their development and self-realization.

Inclusive economics, in its broadest sense, signifies an economic system that aims to ensure the well-being of all citizens of a country, allowing them to participate in social and economic life. In this context, the goal of state policy is to create an inclusive and innovative economy that serves the interests of the entire society.

The content of inclusive economics is determined by the interplay between a country's production capabilities and the well-being of its citizens. This means that to achieve inclusivity in the economic system, it is necessary not only to create favorable conditions for economic growth but also to ensure that this growth is distributed evenly and takes into account the needs of all population groups (Tsymbaliuk, 2019).

The essence of inclusive economics lies in expanding opportunities for all segments of society, including those social groups that have traditionally been on the periphery of economic opportunities. This concept acknowledges that the diversity of individuals and groups is an integral part of society and aims to enable their active participation in economic life.

Recognizing the interconnection between economic opportunities and social well-being places a significant responsibility on the state (Tsymbaliuk I., Pavlikha N., Tsymbaliuk S., 2022). State policy should be aimed at creating conditions for inclusive economic development, including measures that promote access to education, employment, and other resources for all citizens.

The key principles of inclusive economics include equality of opportunities and access to resources, non-discrimination, and social justice. These principles are recognized as vital components of building a sustainable and progressive society.

Experts from the Rockefeller Foundation (Pacetti, 2016), who study inclusive economics, define it as a system that creates equal opportunities for all segments of society, especially those facing barriers to improving their well-being. They highlight five key characteristics of inclusive economics.

Firstly, it involves the participation of the population, where all individuals have equal access to economic life and can influence its future. This entails transparency and equal rule enforcement, as well as the development of innovations and new technologies to enhance well-being.

Secondly, equality ensures upward mobility for all population groups, providing equal access to social goods and services.

Thirdly, inclusive economics aims for growth that encompasses not only the material but also the social sector.

Fourth, it strives for sustainability, where participants in the economy can predict the outcomes of their decisions, and the system becomes more resilient to potential crises.

Fifth, inclusiveness makes the economy stable and oriented toward meeting the needs of not only the current but also future generations.

Inclusive economics also considers the individual needs and characteristics of different population groups, such as people with disabilities, youth, senior citizens, migrants, women, and others. It seeks to create conditions for their active participation in the economic process and provide them with the opportunity to achieve their full potential.

Inclusive economics represents a new approach to socio-economic development that has gained widespread recognition in the global community and is gaining significant momentum in developed countries. The fundamental concept of inclusive economics is the "three pillars," which are three key principles that, if adhered to, can lead to positive social and economic outcomes when implemented (see Figure 1.2).

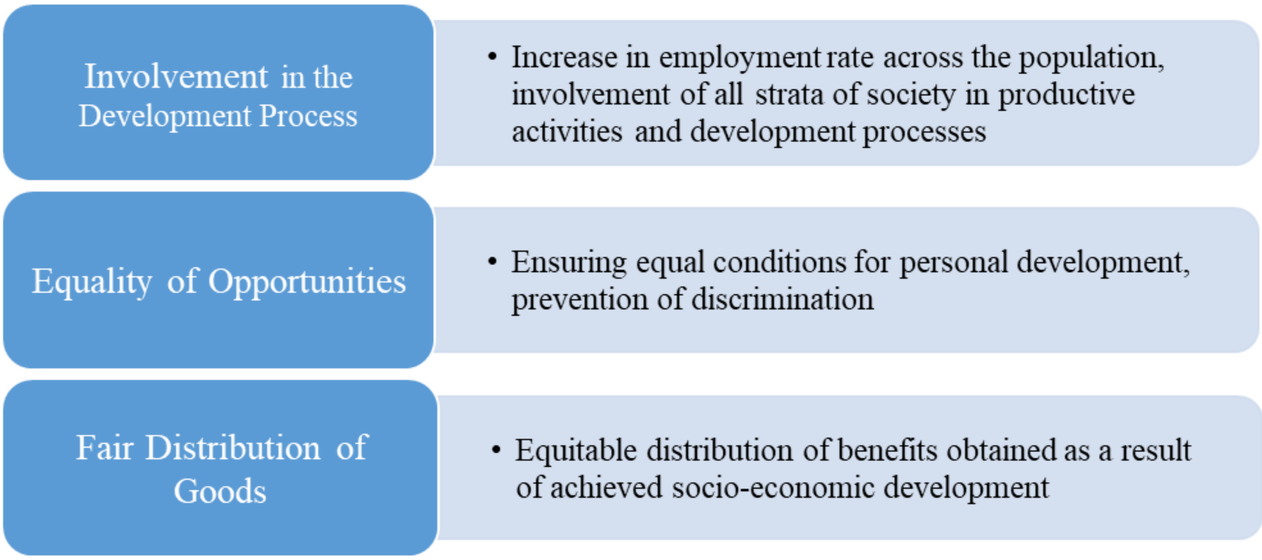

Fig. 1.2. *Key principles of inclusive economics*

These principles can be summarized as follows (Tsymbaliuk, 2022):

1. Ensuring equal opportunities for personal development and preventing any form of discrimination, including discrimination based on gender, race, social, and economic characteristics. Guaranteeing equal access to development resources. This encompasses various aspects such as social inclusion, environmental inclusion, inclusive education, the development of inclusive infrastructure, financial inclusion, and many others.

2. Increasing the employment rate of the population and engaging all segments of society in productive activities. Creating a conducive environment for businesses and adhering to the principles of fair competition. To achieve these goals, the functioning of inclusive labor markets, the development of social partnerships, and ensuring both social and economic inclusion are crucial.

3. Fair distribution of benefits resulting from socio-economic development. It is important to prevent corruption, implement inclusive institutions, and involve the population in the processes of distributing financial resources through participatory budgets and the activation of civil-political activity.

Inclusive economics is defined by a structure that encompasses several key components aimed at ensuring the well-being of all citizens and equal opportunities for their participation in economic and social life. The key components of inclusive economics include (Gutorov A.O., 2019):

1. Production of goods and services opportunities: This component reflects the presence and total costs of production factors, as well as the productivity of economic processes. It is important for the economy to ensure efficient production and resource distribution to meet the needs of all citizens.

2. Social development opportunities: This component encompasses the presence of social norms, values, trust, institutions, networks, and human capital. It underscores the importance of creating conditions for people's development, education, and opportunities for self-realization.

3. Well-being of all citizens: This component covers various aspects of well-being, such as the consumption of economic goods, the presence of community, family, health, employment, security, freedoms, and opportunities. It emphasizes the importance of providing all citizens with a quality life and equal access to social resources.

These components of inclusive economics are interconnected and interdependent. Ensuring efficient production of goods contributes to economic growth, which, in turn, creates opportunities for social development. The development of social opportunities, in turn, supports the well-being of citizens and their active participation in economic life.

In conclusion, inclusive economics is defined as an economic approach aimed at ensuring equal opportunities, expanding the participation of various population groups in the economic process, and creating a society where every individual can achieve success and prosperity without experiencing social marginalization or discrimination. This requires improvements in economic policies and approaches aimed at achieving inclusive development and increasing the well-being of citizens.

Given the current global trends and the strategic goals of the social and economic development of the global community, the transition to inclusive economics becomes a significant challenge for Ukraine. Today, modern concepts of economic development place special emphasis on activating internal potential and developing interregional cooperation, which contributes to synergistic effects through the joint utilization of advantages and resources of individual territories. This approach involves a reevaluation of the paradigm of regional development and the development of corresponding organizational and economic mechanisms to support the self-development of regions. At the same time, it requires attention to the opportunities offered by the decentralization process and the necessity of implementing measures to mitigate the negative impact of global megatrends and the war that has unfolded in the country on the economy of Ukraine.

2. The Birth and Development of the Concept of Inclusive Economy

The history of the development of the inclusive economy encompasses several important stages that helped shape this concept and turn it into an active direction in economic and social policy. The emergence of the concept of inclusive development is linked to the civil rights movement, which gained momentum in the 1950s and 1960s, primarily in the United States. This period was marked by mass protests and social movements aimed at eliminating systemic discrimination and inequality. The primary goal of these movements was to ensure equal rights for all citizens, regardless of their race, gender, religion, or physical abilities.

The central event of this period was the struggle for civil rights for African Americans, known as the "Civil Rights Movement." Leaders of this movement included prominent figures such as Martin Luther King Jr., Rosa Parks, Malcolm X, and others. Thanks to their efforts and mass protests, important laws were enacted that guaranteed equal rights and prohibited racial discrimination (Friedman, M. D., 2008).

The ideas of equality and social justice became the foundation for the development of the inclusive economy. This concept aims to provide equal opportunities for all citizens in the field of employment and access to economic benefits. Inclusive economics emphasizes the need to build a society where no one is left behind due to race, gender, physical limitations, or other characteristics.

Therefore, the history of the development of the inclusive economy begins with social struggle and the desire to ensure equality and fairness in society. It has become an important tool for achieving these goals in the field of economics and ensuring equal opportunities for all citizens.

The concept of inclusive economics began to take on clearer features in response to the growing socio-economic inequality in developed countries since the 1980s. At that time, inequality was driven by new conditions in the labor market and the imperfections of the existing social security system, which could not meet the needs of various segments of the population. Existing social theory at the time defined poverty through vertical stratification, but the concept began to transform, giving preference to horizontal differentiation and the division into "insiders" and "outsiders." As a result of this changed perception, terms such as "social inclusion" and "social exclusion" began to be actively used.

It is important to note that the concept of social inclusion, which is the opposite of social isolation, emerged in the early 1970s in France as a result of societies transitioning to democratic values and respect for the fundamental rights and freedoms of people. It spread both in the discourse of social policy in various countries and in the social sciences from the late 1990s in studies on poverty, the labor market, long-term unemployment, migration, quality of life, civil rights, and the welfare state. This concept became the foundation for the formation of the concept of social inclusion, which replaced the concept of social protection in the European Union. EU countries, which had previously focused on combating poverty, shifted their efforts towards combating social exclusion, which occurred in the mid-1990s to the early 2000s, transitioning from a "passive social protection state" to an "active social protection state" or social inclusion that provides opportunities and shapes personal responsibility (Yemelyanenko L., Dzenzelyuk K., 2020).

The formation of the concept of inclusive economics, aimed at creating a fairer and more equal society, was also significantly influenced by the ideas of social justice and equality. The joint efforts of the civil rights movement and social activists led to the highlighting of issues of economic justice and equality among the most important tasks. This movement emphasized the need to reduce income and opportunity disparities among different population groups and to create mechanisms for the balanced distribution of goods in society.

The new paradigm brought about changes in the actions of governments, international organizations, and businesses. Initiatives and programs aimed at increasing social inclusion and improving conditions for entrepreneurship among various population groups, including women, youth, migrants, and persons with disabilities, emerged (Pavlikha N. V., Tsymbaliuk I. O., 2020).

Therefore, the ideas of social justice and equality have been significant drivers in the development and implementation of inclusive economics. They emphasize the importance of strengthening economic equality and developing policies aimed at ensuring equal opportunities and fair distribution of goods in society.

A third important factor contributing to the development of inclusive economics is the social entrepreneurship movement, which emerged in the second half of the 20th century (Horishna, N., 2016). Social enterprises act as agents of change, collectively engaging in solving social problems and promoting the creation of inclusive markets and employment.

This movement involves businesses going beyond regular commercial activities and having a primary mission to address specific social issues, such as unemployment among vulnerable populations, lack of access to education, or access to markets for small entrepreneurs.

Social enterprises can provide job opportunities for people with disabilities, create professional rehabilitation and training programs for vulnerable groups, and develop new markets for social goods and services. They help increase access to markets for those who were previously excluded and provide support for the growth of businesses that work for the benefit of society.

Social entrepreneurship has become widely recognized in developed countries as a means of addressing social issues. For example, in the UK, social enterprises like "The Big Issue" – a publication whose sales provide housing for the homeless and offer them a path to stability in life (National and International Mechanisms for Civil Society Financing, 2011). This initiative has helped thousands of people improve their circumstances.

In the United States, "Greyston Bakery," a social enterprise specializing in baked goods, operates on an "open hiring" principle. They provide job opportunities for formerly incarcerated individuals and people with disabilities, helping them transition into stable employment (Sytnyk, Y. S., Yurchenko, H. M., 2021).

In India, the "Aavishkaar Group" invests in social enterprises operating in education, healthcare, and agriculture. They support projects aimed at improving access to education for children in underprivileged regions and the development of rural communities.

These examples illustrate how social entrepreneurship contributes to inclusive economics by providing opportunities for the inclusion of individuals and groups who typically have limited access to these opportunities.

Therefore, social entrepreneurship is a key instrument in supporting inclusive economics, offering innovative solutions to address social problems and promoting the creation of a more inclusive and just society.

All of these factors, including the civil rights movement, the ideas of social justice and equality, and social entrepreneurship, have converged into a powerful initiative – inclusive economics. This initiative embodies the idea that every individual should have equal opportunities in society and the economy, regardless of their personal characteristics. It has opened up new possibilities for everyone and contributes to building a better future for society as a whole.

Achieving this goal requires collective efforts from governments, civil organizations, businesses, and every citizen. Inclusive economics unlocks new opportunities for all and contributes to creating a better future for society as a whole.

All these factors, including the civil rights movement, ideas of social justice and equality, as well as social entrepreneurship, have converged into a powerful initiative - inclusive economics. This initiative has become a true embodiment of the idea that every individual should have equal opportunities in society and the economy, regardless of their personal characteristics. It has set a new direction for the development of economic and social policies, promoting the creation of a more inclusive, fair, and solidarity-based society. Achieving this goal requires collective efforts from governments, civil organizations, businesses, and every citizen. Inclusive economics opens up new opportunities for everyone and contributes to creating a better future for the entire society.

3. Global Organizations and Their Efforts Towards Inclusive Economics

Global organizations, including the United Nations (UN), play a crucial role in supporting and developing inclusive economics at the global level. The UN focuses on numerous issues affecting sustainable development and social justice and develops strategies to address them.

One of the most important UN initiatives is the "Sustainable Development Goals" (SDGs), adopted in 2015. These 17 goals encompass a wide range of issues, including poverty reduction, quality education, health, gender equality, partnership for development, and many others. They are designed to achieve sustainable development and ensure the inclusion of all population groups.

The UN also actively supports initiatives aimed at reducing poverty and inequality. These organizations work with governments, civil society organizations, and businesses to promote the development of inclusive approaches in the fields of economics, education, healthcare, and many others.

For example, the United Nations (UN) carries out projects on microfinance development and promoting entrepreneurship among women in developed countries to help them escape poverty and secure a better future for their families. Such programs help stimulate local economies and provide more equal opportunities for women.

Overall, the UN and other international organizations act as catalysts for change in the global economy, promoting inclusive practices and sustainable development where every individual has the opportunity to participate in society and enjoy its benefits. Some specific examples of the role of the UN and other global organizations in inclusive economic development include the following programs and initiatives:

1. United Nations Development Programme (UNDP): UNDP actively works on projects and programs aimed at reducing poverty and improving the quality of life for vulnerable populations. For instance, they support rural agriculture and small business development programs in regions with limited opportunities, provide financial support to women's groups and social enterprises.
2. UNICEF: The United Nations Children's Fund (UNICEF) actively works to ensure equal opportunities for children with disabilities. They support the creation of inclusive schools and institutions where children with different needs can receive quality education and develop alongside other children.

3. World Bank: The World Bank actively finances development projects aimed at supporting inclusive economies. For example, they provide loans and technical assistance for the development of small and medium-sized businesses in low-income countries, which leads to job creation and increased income levels for the population.

4. International Labour Organization (ILO): ILO promotes the development of inclusive employment and job opportunities for people with disabilities. They develop standards and recommendations for businesses to create conditions for the employment of different population groups.

5. The Global Fund to Fight AIDS, Tuberculosis, and Malaria: This organization finances civil society projects aimed at combating HIV/AIDS and other diseases. They also actively promote inclusive approaches to healthcare and access to treatment.

International organizations make a significant contribution to the development of an inclusive economy by creating opportunities and supporting vulnerable populations in their rapid growth and improvement of quality of life.

Today, inclusive economics is becoming increasingly relevant as society recognizes the need to create a more just and equal economic environment for all citizens, regardless of their religion, race, gender, physical abilities, and other characteristics.

4. The role of inclusive economy in addressing contemporary global challenges

Over the past few centuries, humanity has achieved significant progress. For example, in the year 1500, the average production per capita was only $550, whereas in modern times, this figure stands at $11,097. The global GDP has also increased by 31.9 times compared to 1969, and the GNI per capita has grown by 14.7 times. The world's population has grown by 2.1 times, and life expectancy has significantly increased, reaching 72.23 years (Didukh, 2020).

According to the World Bank, the level of extreme poverty in the world by the end of 2018 is the lowest in recorded history. Over one billion people have managed to escape poverty, and most countries in the world have reduced the percentage of their population living in poverty to less than 3%.

The results of economic growth and technological progress have also led to an improvement in people's access to educational resources and a reduction in child mortality.

However, despite these positive changes, the existing system of economic development has numerous flaws that give rise to global problems.

First and foremost, the distribution of global wealth is uneven, leading to a significant portion of the population not experiencing the benefits of economic growth and having fewer economic advantages than their ancestors. For example, energy consumption per capita has increased significantly, but over 1 billion people (13% of the world's population) still live without electricity, with this issue being particularly acute in rural areas in Central Africa and Central and South Asia. More than 2.6 billion people lack access to sanitation and clean drinking water, 5.4 billion people do not have access to the Internet, and 2.5 billion people do not have accounts with financial institutions. Income inequality is also evident in the distribution of income. The share of income for the poorest 20% of the population remains nearly unchanged, creating a problem of global inequality (Didukh, S.M., 2019).

Another important issue is that economic growth and the improvement in the standard of living are uneven, leading to increased global inequality and the emergence of structural imbalances in development. For example, the incomes of the world's 100 richest individuals have significantly increased, while the poorest segments of the population earn less than $1.25 USD per person per day.

Globalization and increasing openness of the world allow people to compare their standard of living with residents of developed countries, leading to disparities in income and lifestyle between different parts of the world. These disparities pose a threat on a global scale and can be a cause of armed conflicts, migration processes, and an increase in the number of refugees. Such inequalities lead to social protests and demands for a fairer distribution of income, political freedoms, and a reduction in wealth inequality.

Inclusive economics, as a new paradigm of socio-economic development, is highly relevant in the context of addressing contemporary global issues, which emphasize the need for implementing inclusive approaches. Inclusive economics serves as a response to modern global megatrends and, by implementing its principles, offers the potential to address many of them.

Megatrends are key global processes that have a significant impact on the modern world economy and society. They determine the direction of development and can even be effective forces in solving global problems (Tsymbaliuk, 2022). Let's explore how megatrends are related to these issues and the role that inclusive economics plays in addressing them.

1. Globalization and Inequality: Globalization has allowed companies to conduct business on a global scale, but it has also exacerbated the issue of inequality. The primary role of inclusive economics is to ensure equal opportunities for all, regardless of their social status or place of residence.

2. Demographic Changes and Aging Population: The aging population is becoming a major global problem, requiring adaptations in social protection systems and the labor market. Inclusive economics promotes the inclusion of elderly people in the workforce and ensures their dignified aging.

3. Climate Change and Environmental Crisis: Global climate change and environmental pollution are among the biggest threats to humanity. Inclusive economics contributes to the development of environmentally sustainable businesses and technologies that reduce emissions and conserve natural resources.

4. Technological Revolution and Employment: Rapid technological advancement can lead to the automation of many jobs and an increased risk of unemployment. Inclusive economics directs efforts toward creating new opportunities for those who lose their jobs due to automation and supports businesses that create jobs for the future.

5. Social Changes and Generational Gap: These changes involve shifts in social structures, interactions between people, cultural diversity, and intergenerational relations. Changes in social structures and intergenerational relations can lead to conflicts and misunderstandings. Inclusive economics promotes understanding and cooperation among different population groups.

Therefore, megatrends influence global issues, and inclusive economics serves as a tool for addressing them.

One of the biggest and most complex challenges facing the world is ensuring sustainable economic growth while maintaining environmental sustainability. A significant portion of the global population continues to suffer from poverty and social inequality, leading to economic and social tensions. Inclusive economics provides an opportunity to view these challenges as interconnected and address them by implementing inclusive principles into economic and social systems.

Global challenges related to climate change also have a significant impact on the world economy. Inclusive economics promotes the creation of conditions for the development of a green economy and sustainable resource use, which is crucial for preserving the natural environment and reducing the negative impact of human activities on the planet.

Another significant aspect is demographic changes. The growth of the world's population and the aging of populations in many countries pose new challenges for economies and social systems. Inclusive economics opens up opportunities for the inclusion of various segments of society in productive activities, including the elderly and people with disabilities, helping to ensure stability and improve the quality of life.

The global demographic situation, characterized by an increase in the elderly population and migration processes, requires inclusive strategies in the development of the labor market and the social sphere. Inclusive economics promotes the inclusion of all segments of society in productive activities, including groups that may be vulnerable in the labor market due to age or migration status. This contributes to the preservation of stability and equality in society.

Furthermore, contemporary technological and environmental changes require new approaches to development. Inclusive economics supports the development and implementation of green technologies and practices, promoting sustainable resource use and nature conservation. It also supports access to technology for all segments of society, helping to reduce the digital divide and promote innovation.

The growth of internet activity and the digitization of the economy require new approaches to taxation and tax control. Inclusive economics contributes to the development of modern tax systems that take into account the peculiarities of internet businesses and provide greater transparency and fairness in taxation.

Additionally, the global information revolution and rapid technological advancements are changing the way economies and labor markets function. Inclusive economics creates conditions for access to these technologies for all segments of society and supports the development of innovation and creative potential.

Therefore, inclusive economics plays a crucial role in addressing contemporary global issues by promoting sustainable economic growth, environmental conservation, reducing inequality, and ensuring social stability. Inclusivity has become a key principle for the development of the modern world and the restructuring of its economic and social systems.

Inclusive economics aims to address various global problems, including:

1. Inequality: Inclusive economics aims to reduce levels of socio-economic inequality both within individual countries and between them. This includes ensuring equal opportunities for all citizens regardless of their background, status, income levels, and physical limitations.

Inclusive economics plays a significant role in addressing issues of economic injustice and inequality. To understand this role, one can refer to the research of Daron Acemoglu and James Robinson, which examines the reasons for differences in the development of different countries.

In their work "Why Nations Fail: The Origins of Power, Prosperity, and Poverty" (Acemoglu D., Robinson J., 2016), the authors explore the impact of economic institutions on society and the economy. They identify two types of institutions: inclusive and extractive.

Inclusive institutions are built on principles of respect for private property, human rights, and freedom, as well as the stability of the legal system and the creation of a competitive environment. These institutions encourage citizens to actively participate in economic activities, leading to a reduction in economic inequality and greater prosperity for society as a whole.

Understanding the role of inclusive institutions in shaping fair and sustainable economic systems is crucial for addressing global issues of economic injustice and inequality. Inclusive economics promotes the creation of such institutions and facilitates their implementation in different countries.

2. Poverty: Inclusive economics contributes to the creation of jobs and provides access to financial resources for those in vulnerable situations. It helps lift people out of poverty and ensures their stable economic self-determination.

3. Social Inclusion: Inclusive economics supports initiatives aimed at including people with disabilities, minorities, women, and other groups in social life and economic activities. This helps build more equitable and just societies.

4. Environmental Sustainability: Inclusive economics fosters the development of economic systems that take into account environmental aspects and help address climate change and other environmental challenges. It supports innovations and practices aimed at preserving natural resources.

5. Cooperation and Stability: Inclusive economics contributes to the building of resilient and peaceful societies by ensuring the participation of various population groups in decision-making processes and economic development. It helps resolve conflicts and ensures the stability of nations.

6. Innovation and Competitiveness: Inclusive economics supports innovative development and enhances a country's competitiveness in the global market environment. It stimulates creativity and entrepreneurship among different segments of the population.

Inclusive economics serves as a tool to address these global challenges and contributes to the creation of a fairer, more sustainable, and harmonious world. By ensuring equal opportunities for all citizens, regardless of their social status, age, or place of residence, inclusive economics promotes societal stability, reduces inequalities, and supports sustainable development worldwide. This approach takes into account global challenges and helps collaborate with the international community to manage change and achieve global goals in economic and social development.

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2.2. ENSURING THE INCLUSIVITY OF THE LABOR MARKET THROUGH THE IMPLEMENTATION OF SELF-EMPLOYMENT PROJECTS IN THE TOURISM AND RECREATION SPHERE

The majority of the working-age population of Ukraine has high general and professional education and satisfactory physical, physiological, and psychophysiological characteristics. However, hostilities since 2014 have led to large-scale demographic losses and deformation of the demographic structure. These are now obvious reasons related to the high level of premature death of the male population during the war, men leaving families, economic activity, and the large migration of women and children abroad. Consequently, there is a decrease in the birth rate now that will remain in the future, a sharp decrease in the number of the working population, and negative changes in the age of the population structure of Ukraine. Prolonged periods of economic unemployment due to participation in military actions and migration will lead to a loss of skills and practical experience, opportunities for development, and acquisition of relevant competencies.

On the other hand, many enterprises and organizations have stopped or significantly reduced their activities, so in regions with no active military operations, it is difficult for internally displaced persons and the local population to obtain employment.

The solution for such urgent problems would be studying modern trends in the labor market, finding forms and models of its development, determining the priorities of state policy regarding the activation of economic activity and employment, introducing into the practice of state regulation new socioeconomic, innovative and investment mechanisms aimed at increasing the inclusiveness of the labor market.

The purpose of the study is to develop proposals for ensuring the inclusiveness of the labor market through the implementation of self-employment projects, taking into account war and post-war challenges. Main goals: presentation of the author's vision of transformations in the labor market and its inclusiveness; substantiation of self-employment for the activation of economic activity; determination of directions for the implementation of self-employment projects in the field of hospitality and recreation taking into account war and post-war challenges.

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1. Transformations in the labor market of Ukraine

The labor market is a complex, dynamic environment that is very sensitive to changes. The changes are formed by the interaction of objective and subjective social, economic, and demographic factors considering the peculiarities of geopolitical and cultural-historical development.

Objective factors include those that cannot be modified in the short term or which effect is permanent: the demographic situation that affects the quantitative and qualitative characteristics of the workforce, natural conditions, geopolitical location, property relations and industrial relations, ethnopsychological features, etc.

Demographic conditions determine the degree of labor resources provision as a result of changes in population size, natural increase, mortality rate, sex-age structure, health status, and life expectancy. The nature of migration processes also affects the shift in the number of the population and the formation of its composition. Since the subjects of migration are mainly people with a high capacity for work, the number and quality of the labor resource structure and labor potential decrease in the places where they live.

Natural conditions affect the formation, distribution (redistribution), and use of labor potential and determine the specifics of the employment of the able-bodied population and the efficiency of its work.

Historical conditions, traditions, and habits of the population determine the location, mobility, employment, and the specifics of the work application.

The structure of the economy determines the sectoral orientation and the intensity of economic development, therefore, the dynamics of employment in the labor market.

Subjective factors include mainly socioeconomic ones: the development of education, professionalism, qualification, and cultural level, level of work organization, the technical level of economic growth, peculiarities of technological processes, and use of NTP achievements. They form the offer in the context of workforce quality (Cherchyk L., 2009; Cherchyk L., 2012).

At the same time, it is necessary to consider external factors: the strengthening of globalization and integration processes; the formation of a single global information space, the growing role of the information component and digitalization, increasing competition and labor force mobility in the labor market; the possibility of international recognition of the Ukrainian qualified specialists and providing means for the employment of Ukrainian refugees.

To activate processes in the labor market and ensure its inclusiveness, it is urgently necessary to take appropriate measures to solve the identified problems.

That covers a wide range of population reproduction problems, formation of the composition and structure of the labor potential, and its practical use. Main measures within the framework of demographic policy: overcoming the process of depopulation, supporting young families; reduction of child mortality, development of the institution of marriage, improvement of the migration management processes.

A significant decrease in the standard of living due to the loss of breadwinners, housing, property, and business becomes more complicated with employment matters. Even before, a large part of the population of Ukraine had a low level of income, critical social conditions such as the "effect of inherited poverty", a high level of social stratification, and the presence of a majority of the population below the poverty line. To overcome these problems, it is necessary to actively support micro-entrepreneurship and the development of medium-sized businesses, which has always been a donor of new jobs. At the same time, gender problems must be solved, and the attitude towards the employment of people with disabilities and the elderly must be changed. To a certain degree, that will ensure the balance of demand and supply in the labor market, unemployment prevention, and the creation of conditions for the development of self-employment of the population and entrepreneurial initiative, the spread of secondary employment working population.

The problem of the nation's health care will emerge acutely. Due to the war, treatment became unavailable for many. There are problems with the supply of necessary medical drugs. Our defenders and their families will need medical and psychological support and long-term rehabilitation. Therefore, it is not only about the availability and quality of medical care but also the availability of recreational services for physical and mental recovery.

It is worth emphasizing the need to develop education and professional training in the context of "lifelong learning". The state order should be formed only for relevant specialties, and the system of education and professional training should be oriented to the needs of the labor market in terms of both quantitative and qualitative parameters. Therefore, the main tasks of this block: providing equal opportunities for obtaining education; developing a system of continuous schooling and lifelong learning; introducing educational innovations and information technologies; and developing modern mechanisms for taking into account the needs of the labor market to promote the proper employment of graduates; development of programs considering the needs of the labor market; guaranteeing the quality of educational activities of educational institutions.

The negative processes mentioned above and the deterioration of the economic situation in Ukraine caused the following problems in the functioning of the labor market: imbalance between demand and supply (degradation of labor supply, parallel reduction of demand); inconsistency of the professional and qualification structure of labor demand and its supply; a significant part of the employed in the informal sector of the economy, a reduction in the specific weight of employment in the sphere of production, a decrease in the economic activity of the population of working age and an increase in economically forced labor, while cyclical unemployment is replaced by institutional unemployment; high level of population stratification and labor poverty.

2. Inclusive labor market: understanding and manifestations

Modern reality requires the government of Ukraine and its state institutions to take systematic measures to solve labor market problems. We believe that the practicality and legality of using an inclusive approach to form the modern labor market are determined by the dominant factors of inclusive development.

The main imperatives of the inclusive development concept, according to the World Bank, are equality of opportunities in access to the labor market and resources as an essential condition for reducing poverty and inequality; equal opportunities to realize human potential regardless of place of residence and socioeconomic conditions, gender and age; human development, improvement of his well-being; increasing the participation of all citizens in the process of economic growth and fair distribution of its results (Ending Poverty, 2015).

The Rockefeller Foundation emphasizes the following: participation (access to the labor market, consumers, and the business sector); transparency, quality of knowledge and norms allow people to start their own business and find work; justice (equal opportunities, access to public goods, infrastructure, education, water, etc.); growth; stability as a sufficient degree of confidence in the future and increasing the ability to predict the results of one's economic decisions; sustainable development as the gradual accumulation of social wealth to support the well-being of generations (Pacetti-Garr E., 2016).

As noted by M. Zub and K. Krupinina (2017), the inclusive labor market is a socioeconomic and cultural-psychological phenomenon that creates conditions for the formation of an environment with unlimited opportunities for the involvement and active participation of the population in creating GDP; formation of social cohesion, achievement of employment; human development and equal economic opportunities for different layers of society, regardless of socioeconomic conditions, gender, race, place of residence, nationality.

Tsymbalyuk I. and Savchuk A. (2023) consider the inclusive labor market as "a model where all people, regardless of their abilities, age, condition or other personal characteristics, have equal opportunities to access work and develop their potential." The central principles of an inclusive labor market are providing opportunities for all segments of the population without discrimination, creating favorable conditions for people with special needs, and offering various possibilities to guarantee employment, which will positively affect welfare indicators.

That is, the main imperatives of inclusive development (equal opportunities in access to all types of resources; equal opportunities for employment; equal opportunities for exercising the right to use public goods and income; equal opportunities for realizing human potential; equal opportunities for ensuring the harmonious development of the individual (physical, emotional, cultural, cognitive); improving the well-being and quality of life of people due to the availability of public goods; ensuring the fair distribution of activity results; equal opportunities to ensure a healthy life; increasing the participation of all citizens in the process of economic growth and a equitable distribution of its results; stability of development as a sufficient degree of confidence in the future; gradual accumulation of social wealth to support the well-being of generations and their involvement and equality) directly or indirectly relate to the labor market (Cherchyk L., 2020).

Investments in developing general infrastructure and inclusive innovation will contribute to expanding opportunities for those activities. Recent so-called frugal innovations are aimed at low- and middle-income populations (Santiago F., 2014). We are talking about financial inclusion, that is the implementation of inclusiveness through access to financial resources and services that can meet the needs of households and enterprises and are provided responsibly, stably, and at a reasonable price (National Strategy for Financial Inclusion (NSFI) (Naumenkova S., 2014; Dudynets L., 2018). It is appropriate to apply the experience of inclusive cooperative financial and credit institutions (credit cooperatives, credit unions, cooperative banks), which were created for the self-sufficiency of broad segments of the population with financial services (Honcharenko V. et al., 2010; Pozhar A., 2013).

A critical condition for an inclusive labor market is tax inclusion for the activation of investment processes; application of simple, unambiguous, and fair tax rules; reduction of costs for their administration; motivation of taxpayers to voluntarily fulfill the requirements of tax legislation; automation of taxation processes using modern technologies.

Social entrepreneurship is an effective form of interaction in the context of inclusive development. In our opinion, it is advisable to use the following models of social entrepreneurship:

- a model of social entrepreneurship aimed at the development of the community, which involves a significant positive and innovative change in the local economy, aimed at achieving the well-being of territorial communities (social, ecological, and ethical goals), increasing the activity of citizens, strengthening the unity of the community;

- a model of social entrepreneurship aimed at overcoming social isolation and social inclusion of people with limited physical and mental abilities, representatives of risk groups, people with addictions; people released from prisons; and HIV-positive people; social enterprise helps create a more humane society in which everyone can participate;

- the social entrepreneurship model is aimed at public involvement of socially vulnerable population groups (refugees (internally displaced persons, forced migrants); national minorities; the elderly; young people; mothers with many children);

- a model of social entrepreneurship aimed at the use of local resources that are overlooked by ordinary businesses to create new jobs and develop new types of goods and services for internal use or sale;

- the model of social entrepreneurship that strives for the cultural enrichment of the population, which involves the creation of private exhibitions, the organization of amateur theaters and creative groups, and the broad involvement of socially vulnerable sections of the population both in the consumption of their services and in active participation (Cherchyk L. et al., 2017).

Specific steps are being taken to create an inclusive labor market. For example, this is the ILO project "Inclusive Labor Market for Job Creation in Ukraine" implemented within the Danish Neighborhood Program (DANEP) framework and involves three areas of interaction - labor market management and active labor market policy, tripartite partnership and social dialogue, creation of favorable conditions for the sustainable development of enterprises and support of entrepreneurship; the SEED program of the French non-governmental organization ACTED supported by the Ministry of Foreign Affairs of Canada, a grant competition aimed at helping self-employment and micro-entrepreneurship in Ukraine.

In addition, there is state support for start-up implementation in general, separately for women and vulnerable population groups. The State Employment Center has developed conditions for participation in projects under the YeRobota program, and digests of grants and business opportunities for entrepreneurs are published.

The ILO project "Inclusive Labor Market in the creation of new jobs in Ukraine" (2017-2023) is designed to help the government of Ukraine manage the labor market by strengthening employment services and other labor market institutions. In particular, in the pre-war period, the developed measure introduced new standards of professional education to reduce the discrepancy between demand

and supply in the labor market in the field of tourism and hotel and restaurant business, modernization of educational programs, and improve the material and technical base of professional educational institutions in the Kherson region; already during the period of martial law the grant support for equipment was attainable for local and relocated micro, small and medium-sized enterprises that employ internally displaced people, unemployed in Zakarpattia Oblast.

The Ministry of Social Policy of Ukraine is preparing a reform for an inclusive labor market development aimed at helping people with disabilities. The reform envisages a system of measures to support, adapt, and integrate persons with disabilities into society in the post-war period.

The SEED program of the French non-governmental organization ACTED, when selecting applications for the competition, takes into account the presence of financial and social vulnerability of the family and encourages women's micro-entrepreneurship.

Thus, the inclusiveness of the labor market in this cruel period for Ukraine will allow us to mitigate negative socioeconomic processes in the field of employment and create prerequisites for economic activity in regions where such an opportunity exists.

3. Inclusiveness of recreational nature use as a basis for the development of an inclusive labor market in the recreational sphere

The transition to inclusive development provides for the formation of an appropriate institutional environment, legislative and legal support, effective standard regulation, ensures the rational use and protection of natural recreational areas, cultural and historical sites. Most often in scientific and applied aspects, the regulatory, managerial, infrastructural components are considered, which together should provide equal opportunities in access to socially significant resources, guarantee the possibility of employment, participation in the distribution of public goods. The specificity of the natural recreational resources (NRR) use requires a more detailed analysis and the influence of these components on the implementation of inclusive development.

The results of scientific research show that in order to implement an inclusive approach in recreational nature management, it is necessary to:

- quantitative and qualitative restructuring of the economy of recreational nature management in line with the purely targeted and economical use of recreational lands and resources, their protection and reproduction. A significant role here is assigned to legal regulation, the use of a system of organizational measures to ensure effective targeted development, the use of recreational lands in the economic turnover;

- changing the structure and stereotype of people's recreational needs for the use of recreational areas for the provision of socially significant services;
- reducing the economic and social inequality of people to meet their recreational needs through state support for the development of recreational areas and public resources and ensuring equal access to valuable NRR, especially sanatorium resources for low-income people. Therefore, such resources should be used by state, trade union sanatorium institutions on a gratuitous basis;
- ensuring, on the one hand, equal opportunities and accessibility of valuable recreational resources now and in the future, which will provide conditions for improving the quality of life and health of the country's population, on the other hand, the preservation and reproduction of natural systems, maintaining their viability and functionality, rational recreational nature management.

In the work Petrushenko M. (2020) it was established that in accordance with the stages of inclusive development, the essential component of socio-ecological-economic relations changes, namely, from the integration of society in economic activity – into economic-ecological and ecological-political inclusion. At the same time, the authors note that such development is ensured by the functioning of institutions of various levels (formal and informal public associations, organizations and development agencies, financial institutions, etc.), which allow the formation and maintenance of environmentally responsible interaction between the state, business and society.

Therefore, in the formation of institutional support for the inclusive development of tourism and recreational nature management, it is necessary to apply a systematic approach, focusing on such elements as functions, principles and criteria for institutional support for the inclusive development of tourism and recreational nature management in the context of interaction between the subjects of tourism and recreational nature management.

The need to improve the institutional support of tourist and recreational nature management in the context of inclusive development is due to current trends in this area and a number of social, environmental and economic factors, which is reflected in Table 1.

Table 1

Trends in the development of the tourist and recreational sphere of Ukraine

Factor	The essence of influence	Solutions
1	2	3
Rising risks of diseases, deteriorating health of the nation	Unfavorable living conditions, an unhealthy lifestyle, bad habits, a negative state of the environment, difficult working conditions, its intensity lead to a deterioration in psycho-somatic health, and low incomes make it impossible to improve it.	Development of the resort and sanatorium sphere using balneological and other medical resources for the prevention of diseases, health and psycho-moral conditions restoration
High level of income stratification of Ukrainian society	Significant disagreement between desires, urgent needs and the possibilities of their satisfaction	Development of the national (regional) tourist and recreational sphere using the resources and conditions of the region, ensuring their availability
Growth in the level of urbanization, the number of urban population	A high concentration of enterprises, a polluted atmosphere, noise, and the intensity of life affect a decrease in the safe living space, increase the risk of morbidity, complicate the process of restoring human strength	Development of suburban recreational areas; creation of new green areas in cities (squares, parks, urban forests, forest parks) for daily rest and relaxation at the end of the working week, on weekends
Complication of production, business processes, growth of requirements for workers	High mobility and intensity of work, large amounts of information, a reduction in physical and a significant increase in mental and neuropsychiatric costs lead to excessive psychophysical stress, increased nervous fatigue, and professional burnout.	Creation of opportunities for recreation, rehabilitation, health improvement, prevention of occupational diseases by combining daily, weekly and vacation cycles, transition to active forms using natural conditions and resources (suburban and urban dispensaries, sports grounds in each microdistrict, terrenkurs, etc.)
Growing needs for harmonious development	Expanding the range of recreational needs, including the desire for a healthy lifestyle, the manifestation of creative, physical abilities, cognition, communication, raising the cultural and intellectual level, spiritual development, which implies a shift in emphasis on the emotional component of recreational nature management, the impressions that a person receives	Development of cognitive-scientific, cognitive-cultural, cognitive-natural tourism
Deterioration of the natural environment state	Environmental conditions determine the safety of life, the ecological component becomes a limiting factor in economic growth.	Environmental activity should be implemented in the structure of economic activity in general, recreational environmental management in particular.

1	2	3
Resource orientation of the tourist and recreational sphere	Excessive use of special natural recreational resources, their depletion, degradation of especially valuable attractive landscapes, use of recreational resources in other spheres of activity providing the maximum return in the short term.	Development of the recreational nature management taking into account the needs of future generations, environmental safety, constancy of development.
Unfavorable institutional environment for the recreational nature management development	Due to the processes of privatization, the proliferation of lease relations in the recreational nature management sphere, a significant part of them became inaccessible (physically and economically), dropped out of public circulation. The advantage in the use of land resources was given to industry and agriculture, which led to the complete loss of many OWP, the degradation of a significant part of them from overload and pollution by neighboring environmentally harmful industries.	Development of legislation relevant to recreational needs, formation of funds for recreational lands, development of economic incentives for rationalizing the use and reproduction of the natural and recreational potential of territories.

Source: Developed by the author.

The state of the institutional provision of inclusive tourism and recreational nature management was analyzed against the background of these trends, outlined in the work. This study allows us to define the institutional provision of inclusive tourism and recreation nature management as a set of norms, rules, institutions, methods, activities and tools designed to create equal opportunities for the use of socially significant recreational resources, harmonize the interests of the recreational nature management subjects, which will ensure the implementation of the inclusive development goals.

Proceeding from this, the subject of institutional support for the inclusive development of tourism and recreational nature management is the mechanisms for ensuring equal opportunities for the use of recreational resources and harmonizing the interests of subjects of recreational nature management.

Objects of institutional support for the inclusive development of tourism and recreational nature management are natural recreational resources and territories, relations on their use and ownership.

The subjects of institutional support for the inclusive development of tourism and recreational nature management are state authorities, local governments, scientific and educational institutions, the management of the corporation, enterprises and entrepreneurs, and public organizations. These subjects influence on objects by purposefully applying appropriate methods, levers, means, the combination of which ensures equality of opportunities for the use of recreational resources and the coordination of their interests.

The goal of institutional support for the inclusive development of tourism and recreational nature management is to create equal opportunities for the use of socially significant recreational resources, harmonize the interests of the subjects of recreational nature management, and ensure the implementation of the goals of inclusive development. The aims of the institutional support for the inclusive development of tourism and recreation nature management:

- creation of optimal conditions for effective use, conservation and reproduction of natural recreational systems;
- equality of access to the NRR of the present and future
- ensuring economic activity within the framework of institutional and structural transformations in accordance with the principles of inclusive development;
- introduction of resource-saving technologies, the use of intensive methods of nature management;
- optimization of the structure of the economy, taking into account the peculiarities of the natural and recreational potential and the possibilities of diversifying the directions of its use;
- optimization of individual and public consumption of NRR;
- stimulation of economic interest in the rational and economical use of NRR;
- limiting ineffective competition in order to eliminate non-environmental technologies, equipment, products and services from the market.

The criteria of institutional support for the inclusive development of tourism and recreational nature management should reflect both the level of provision of socially significant recreational needs, and the equality of opportunities for various groups of the population for NRR and recreational services.

The method of calculating the index of inclusive development includes 12 indicators of three groups, characterizing: growth and development (life expectancy and employment of the population); inclusiveness (indicators of poverty and income differentiation); continuity of generations and sustainability of development (indicators of environmental, demographic and financial security). At the same time, it is possible to use well-known indicators, grouping in particular:

- human development index (share of GDP per capita, life expectancy, level of knowledge, level of ownership of resources required for a normal life)
- index of economic freedom;
- democracy index;
- life satisfaction index (indices of the level of happiness of citizens);

- the index of social inclusion as the level of participation of all members of society in economic, social, political life (OECD approach).

The main functions of the institutional support for the inclusive development of tourism and recreational nature management are:

1) regulation – ensuring socially expedient and fair distribution of NRR and streamlining the process of their use;

2) control – compliance with the requirements of the current legislation, prevention of abuse in the use of NRR, support for the stable dynamics of the functioning and development of territorial division of labour;

3) regulation – organizational support, registration and consolidation of economic relations and property relations;

4) coordination – a combination of various regulatory instruments into a single complex mechanism;

4) stimulation – ensuring effective interaction of all subjects;

5) protection – ensuring environmental and social security;

6) informing – providing access to information about NRR and the activities of recreational facilities. Institutional provision for inclusive tourism and recreational nature management is implemented through the following methods: administrative and regulatory (property rights, standards, norms, prohibitions, limits, permits and quotas, permits on application, prohibition of certain activities, cadastration, control, inspections, liability); extensional and geographical (zoning, land use planning) economic (economic incentives, investment support for socially significant activities, tax holidays, subsidies and grants, taxes and payments, insurance); socio-psychological (forms of social interaction (social dialogue, social partnership, social order, social work, social services), educational activities, sociometry, motivation for a healthy lifestyle).

So, the transition to inclusive development in recreational nature management requires the formation of an appropriate institutional environment, the implementation of regulatory, economic and infrastructural measures in the following areas.

1. Justification of approaches and legislative consolidation of property rights to various types of natural recreational resources and lands. Since recreational nature management has an obvious environmental and social focus, and resources have different values and volumes, it is necessary to ensure their targeted use and the priority of public use over private use. At the same time, it is expedient to envisage a combination of their various forms: state – for objects of state importance; communal – for objects of regional significance; private – for individual objects of

local importance. By transferring the objects of the NRR to the jurisdiction of local authorities, private property, the state does not lose control over them at all.

2. Formation of an appropriate legislative and legal environment providing for the formation of the legal status of recreational nature management objects, determination of the legal basis for ownership and conditions for their use, possession and disposal. This approach to defining the essence of recreational nature management can be considered as part of the general problem of the legal organization of the provision and obtaining territorial resources for use. These are legislative acts and regulations on resorts and recreation areas, standards for the state of the natural environment in recreational areas (air, water, soil), design and construction standards, the resilience of natural complexes to recreational loads, the introduction of state regulation schemes, protectionism to ensure access to NRR, meeting public needs. Regulatory support requires the implementation of the global Sustainable Development Goals into the national legal framework.

3. Normative regulation, which ensures the rational use and protection of natural recreational areas and cultural – historical sites, taking into account territorial (regional) characteristics, interests and needs. Regulatory mechanisms should enable access to basic resources, benefits and employment.

4. Organizational support of inclusive recreational nature management determines the effectiveness for the implementation of regulatory, organizational, coordination functions to ensure environmental friendliness, reliability, comfort of the material and technical base and infrastructure facilities. For the consistency of individual levers, tools, directions, it is necessary: to create appropriate organizational structures that would deal with the problems of inclusive development in the field of recreational nature management; to allocate recreational lands in the general land fund; to form and introduce into practice effective forms of recreational nature management, adequate to market relations; solve the problem of NRR and recreational land ownership, monetary valuation, pricing, mechanisms of payment and compensation for losses as a result of violation of recreational landscapes; form recreational legislation.

5. Formation of the information environment. The awareness of the population about the medico-biological, social and economic effects of recreation has a significant impact on the formation of demand. A high level of awareness effectively affects the optimal distribution of recreational flows, readiness to use tourist services and goods, and operational decision-making. For this, it is advisable to create centers for local natural and recreational resources popularization; training of civil servants and local government officials on the development of tourism and recreation.

6. Investments and financing, providing for the promotion of entrepreneurship, self-employment by expanding access to financial resources. Investments in the

development of infrastructure and the revitalization of depressed areas will contribute to improving the life quality of vulnerable groups of the population.

One of the most important problems in the development of recreational nature management is associated with the imperfection of management and regulation system of the processes that occur in it. Inclusive development is impossible without an effective institutional environment, which requires deepening institutional transformations, improving legal support, creating a system of effective institutions, and their active interaction.

The proposed inclusive tourist and recreational nature management system will make possible to realize such dominants of inclusive development as: ensuring equal opportunities in access to valuable recreational resources and recreational services; equal opportunities for the realization of the right to rest, restoration of psycho-physical conditions, health improvement, harmonious development of the personality (physical, emotional, cultural, cognitive) ensuring socio-economic activity, well-being and employment opportunities in the field of tourism, recreation and related businesses, fair distribution of results activities; high efficiency in the use of socially important natural resources and conditions.

4. Activation of economic activity through self-employment and entrepreneurship in the tourism and recreation sphere

According to research by the International Labor Organization, seven out of ten workers work in small businesses or are self-employed. For Ukraine, entrepreneurial initiatives development and support remain one of the main tools for stimulating employment. Individual entrepreneurial activity is the most convenient way to create your own business at the initial stage. It does not require drawing up a statute or founding agreement, a statutory fund formation, a significant authorized capital, a separate legal address, or a bank account.

In the current conditions, entrepreneurship development has priority in solving employment problems, as it largely determines the formation of a modern market economy with a social focus. Subjects of small and individual entrepreneurship quickly respond to new market trends and changes in their requirements, especially in the conditions of individualization and differentiation of consumer demand and growth of the range of goods and services, which generally increases the economy's flexibility. Therefore, entrepreneurship is an effective form of absorption of surplus labor, which helps to alleviate social tension. It is necessary to inform the population about the possibilities of their direct participation in the growth of new forms of the economy so that they can contribute to the integrated and balanced development of specific territories and solve employment problems.

Ensuring the inclusiveness of the labor market in this area involves taking into account the following main factors:

- growing needs for social types and forms of restoration, rehabilitation, and recreation of Ukrainian citizens, first of all – participants in hostilities, their families, the population of the occupied regions;
- reduction of recreational potential in many regions of Ukraine that were not occupied and its destruction in the occupied regions;
- a significant decrease in the level of financial support for a significant part of the population of Ukraine, which makes recreational services unavailable.

Therefore, the tasks of the development of regions that can currently provide recreational services are:

- development and implementation of an active regional policy for the development of local entrepreneurship to ensure recreational needs formed by the challenges of war and post-war times;
- ensuring availability for use of the recreational potential of these regions;
- personnel training taking into account the specifics of modern recreational activities;
- formation of an effective investment policy for the development of recreational entrepreneurship;
- formation of a public management system in the recreation field and tourism (Cherchyk L., Cherchyk O., 2023).

The expediency and legality of using an inclusive approach in the recreational sphere are because the absolute value is a person's need for rest, restoration of psychophysical conditions, physical, cultural, and intellectual development; one of the criteria for the effectiveness of its functioning is the preservation of the health of the nation; a significant part of the needs are realized within a certain group, first of all – the family; recreational activities based on social values that form social recreational needs; the organization of recreational activities involves the use of recreational resources of public, not individual level of use; strengthening of public desire for individualization of recreational services (Cherchyk L., Khumarova N., 2022).

One of the dominant features of inclusive development can be specified as follows: provision of socioeconomic activity, well-being, and opportunities for employment in the field of tourism and recreation and related businesses, and fair distribution of activity results.

The reason is that the tourism and recreation sphere is characterized not only by high social importance. Economic aspects are no less important, namely:

- a high level of profitability and quick payback of costs contributes to income generation, creates investment attractiveness, and provides income to local and state budgets and currency from foreign tourism;

- significant labor intensity contributes to ensuring employment and self-employment, as a result – reducing unemployment and social tension in society.

At the same time, it is tightly linked to adjacent and service spheres of activity, exerts a direct influence on the development of economic and social processes, and acts as a factor in optimizing the structure of the regional economy since enterprises of various profiles are concentrated in one territory, united by the complex use of recreational resources and the provision of recreational services. Recreational enterprises are directly related to restaurants, hotels, and other places of temporary accommodation. The functioning of sanatoriums and health facilities affects the activities of tourist operators and agents, excursion facilities, and transport infrastructure, the task of which is to transport vacationers to places of rest, excursion facilities, etc. That is to say, the economic function of recreational entrepreneurship also consists of expanding the scope of employment and accelerating the development of social and industrial infrastructure. All the mentioned activities allow the creation of «cheap» jobs, some of which do not require complex competencies. On the contrary, there is an opportunity to master the profession quickly enough (Cherchyk L., 2009, Rural Tourism).

The development of the recreational sphere is one of the most effective ways to lead to socioeconomic changes, raising the standard of living and overcoming the depressed nature of the economy of many regions.

5. Prospective directions for the implementation of self-employment projects in the field of hospitality and recreation

In the study, we justify the need for inclusive development of the tourism and recreation sphere as a type of activity where the conditions for multifaceted interaction of interested parties are created based on social, political, and economic inclusion with equal opportunities to provide services, obtain results, and satisfy recreational needs.

The foundation for this is:

1) availability of available information;

2) access to recreational resources, tourist and recreational infrastructure facilities;

3) social interaction and community cohesion for joint actions to ensure effective use of the territory's recreational potential and increase its competitiveness;

4) combination of social, economic, ecological, and infrastructural spheres in the development strategies of the territory and involvement of all interested parties in strategizing.

The tourism and recreation sector is one of the leaders in private entrepreneurship development, as it provides many opportunities to start your own business. Actual directions are creating private tourist enterprises with a license to organize foreign, domestic, foreign tourism, excursions, mass health and sports, educational, educational and health, business and commercial tourism.

The stimulation of these types of activities leads to an increase in the need for the development of accompanying entrepreneurship – transport services, communication, household and trade-food spheres, and the hotel industry. Therefore, it is one of the spheres of activity with a high potential for self-employment.

To the greatest extent, the principles of inclusive development of the labor market are implemented by recreational, educational, leisure recreation, and such types of tourism as rural green, agritourism, ecological, and event tourism since all community representatives can be involved in the process of providing services, even those who, due to their physical capabilities, cannot fully work, or cannot find work.

For the implementation of the above, it is necessary to involve all groups of stakeholders, which include:

1) joint development of local policy, determination of priorities, establishment of strategic, current goals and objectives, which is a more transparent and democratic process;

2) joint decision-making, coordinated, in the process of dialogue and constructive discussion by many interested parties, based on a greater amount of knowledge, skills, experience and intuition;

3) reaching a consensus among stakeholders, using a cooperation model that improves the level of quality and effectiveness of local sustainable development policy;

4) the involvement of various interested parties in strategic management, which ensures viability and realism, the achievement of strategies, and individual measures to ensure an inclusive labor market.

Let's consider the types of tourist and recreational activities that implement the principles of inclusive development and inclusive labor market to the greatest extent.

5.1. Rural green tourism

Today, rural green tourism is already functioning with further prospects for development, which covers a wide range of types of recreation in the countryside: stationary recreation in the countryside (rural tourism itself), recreation in tourist centers and resorts located in villages and small towns; recreation in rural farms (agritourism). In addition, the ecological orientation of this type of recreational activity is of great importance.

For the community and individual rural residents, rural green tourism is one of the effective forms of self-employment, which reduces unemployment in the countryside, the level of migration of rural residents, and the outflow of young people. Such employment will not only bring income to rural residents but also contribute to raising the standard of living, as it will provide an opportunity to improve living conditions, require improvement of local infrastructure, maintenance of environmental cleanliness, and introduction of ecological management methods. It is also an additional income to the local budget that can be allocated to community needs.

Considering that the economic and social problems of the village have been exacerbated by the loss of men during the war, the spread and development of rural green tourism is particularly desirable, primarily because it expands the scope of employment for women, elderly, and people with disabilities.

With a particular accumulation of the number of vacationers, there is a need to satisfy their various requests, and this, in turn, stimulates the development of the service sector: transport, communication, trade, household services, recreation and entertainment, and others.

A significant result of the rural green tourism development is the expansion of opportunities for the sale of personal farm products, and their sale on the spot, and not as agricultural raw materials, but as ready-made food products after appropriate processing and preparation. Experience shows that those families who receive vacationers improve the structure of crops on their homesteads regarding the guests' needs, expand the variety of vegetable crops, fruit trees, berry trees, etc.; develop and diversify domestic animal husbandry and start a greenhouse.

Many problems need to be resolved before rural green tourism in Ukraine will bring tangible benefits to society. In our opinion, the first steps should be: the formation of a state policy to support rural tourism; the development of the regulatory and legislative framework for rural tourism considering the positive experience of neighboring European countries; the formation of a consultative methodical and informational network to support centers of rural tourism, sharing the organization's experience in providing recreation services in the countryside; creation of public organizations of farmers; introduction of a system of preferential lending and micro-crediting of farmers; introduction of a simplified procedure for certification of services provided by owners of rural estates; organization of short-term training courses for citizens who wish to engage in rural tourism.

5.2. Health or recreational tourism

Health or recreational tourism is aimed at restoring working capacity, preserving and strengthening psychosomatic health and includes various types of tourist activities of a health-improving, cognitive, rehabilitation nature in an active form (Tkachenko T., Hladkyi O., & Zhuchenko V., 2021).

Recreational tourism is a rather flexible and budget-friendly way of meeting recreational needs. Its distinctive features are polyfunctionality (ensures physical, intellectual (cognitive), cultural, aesthetic, and emotional development); voluntariness, the possibility of choosing objects according to one's desire and taste and changing them during the journey; individual approach, i.e. determination of the method and pace of movement taking into account individual physical capabilities, interests, inclinations; a change in the environment, which already provides a recreational effect.

Main recreational effects:

- physical health (rest in an active form, removal of nervous and emotional stress, stimulation of immunity, activation of the activity of all organs, muscle activity);
- emotional (positive impressions from communication with nature, close people form a feeling of inner satisfaction, release from tension and stress;
- aesthetic as recreation for the beauty of nature, cultural and historical monuments, etc.;
- ecological is the ability to observe and enjoy nature and treat nature's benefits with care.

Usually, all these effects are combined in one journey, forming a synergistic effect to support psychosomatic health.

For the organization of activities in this area, it is sufficient that there are:

- sufficient recreational potential in a small area, that is, where there are opportunities to choose interesting natural, cultural-historical, and socioeconomic objects of different natures;
- opportunities for different modes of movement (pedestrian, bicycle, water, automobile, etc.);
- transport and physical accessibility of the starting and ending places of the journey;
- the possibility of combining several modes of movement (pedestrian-water, car-moto-pedestrian, bicycle-water, etc.);
- security of stay;
- the possibility of using different types of routes (Cherchyk L., Cherchyk O., 2023).

Therefore, projects for the organization of recreational tourism can be very diverse based on the specifics of the recreational potential of the territory.

5.3. Ecological tourism

Ecological tourism has no clear boundaries, as it implies different meanings: natural, alternative, responsible, sustainable, soft, nature conservation, green, adventure, etc. Its leading functions are meeting the needs of tourists in various forms of entertainment; development of production infrastructure; creation of additional jobs; filling the local budget; preservation of valuable natural complexes; and environmental education among the broad masses of the population. Ecotourism is often considered as developing within nature conservation landscapes and national natural parks, where recreational and tourist activities should be carried out only in those places and to such an extent that it guarantees the preservation of the objects designated for bequest (Cherchyk L., Khumarova N., 2022).

5.4. Event tourism

Event tourism is a direction of tourism where the foremost motivation of the trip is to attend a certain event, in particular sports and military competitions, cultural events, recreation of historical events, festivals, exhibitions, concerts, fairs, carnivals, etc. Its development is based on the formation of new event tours, which go from occasional to regular, which helps to attract a wide contingent of tourists. Event tourism makes it possible to avoid such an acute problem in tourism as a seasonal factor. In the case of a large-scale event, it stimulates the development of the region's infrastructure and income from tourism. Also, its direct participants who organize events can sell their goods or provide hospitality services and benefit from an event in particular (Cherchyk L. et al., 2014). The community or its representatives can implement projects of fairs, exhibitions, and economic and scientific forums. Festivals (ethnographic, gastronomic, floristic, etc.), artistic events (music, theater festivals and competitions, film festivals, folklore rites, holidays and festivals), cultural and historical theatrical shows, sports events, and religious events are also promising forms. One could argue that event tourism has an inexhaustible resource potential for employment in the infrastructural and tourist sphere, entrepreneurship, the hotel and restaurant industry, providing accommodation and catering services, transportation, etc.

Final provisions and proposals.

Inclusive development is impossible without effective institutions, which requires profound institutional transformations, the creation of a system of effective institutions for inclusive labor market formation and functioning, and their active interaction. Therefore, there is a need to develop new approaches to system formation regarding the possibilities of expanding the powers of local self-government bodies and the need to coordinate the economic, social, and environmental interests of the state, business entities, and territorial communities.

Institutional support for the inclusive development of the labor market is a set of norms, rules, institutions, methods, measures, and tools designed to create equal opportunities for different layers of society in terms of employment, a decent level of remuneration, opportunities to acquire relevant competencies for participation in economic activity. The transition to an inclusive labor market requires a favorable institutional environment formation and the implementation of appropriate regulatory, economic, and infrastructural measures within the framework of the suitable mechanism (Fig. 1).

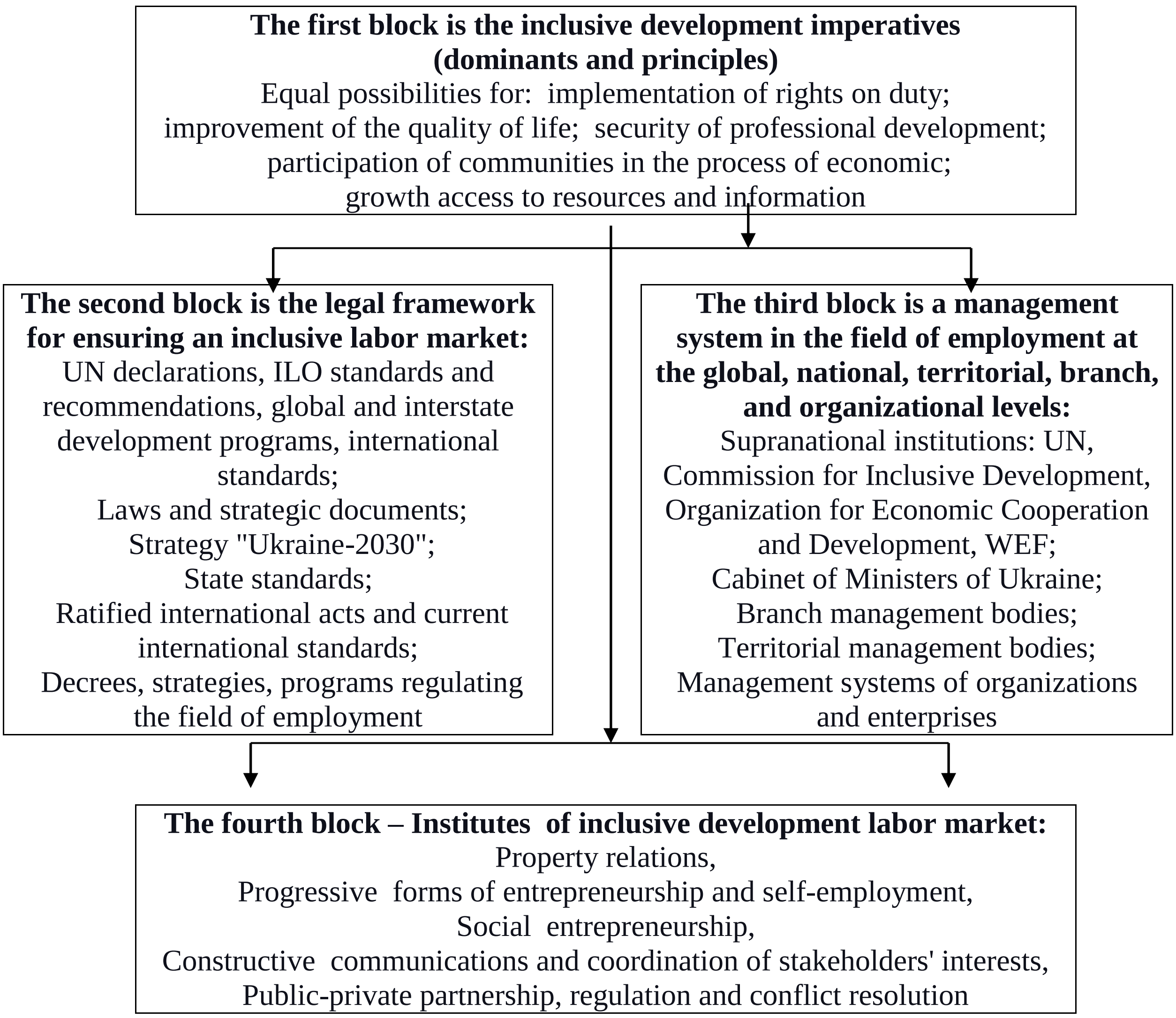

Fig. 1. Comprehensive scheme for the formation of a mechanism for ensuring an inclusive labor market

Source: development of the author

The first block is the inclusive development imperatives (dominants and principles). The second block is the legal framework for ensuring an inclusive labor market. The third block is a management system in the field of employment at the global, national, territorial, branch, and organizational levels. The fourth block is establishments and institutions represented by property relations, progressive forms of entrepreneurship and self-employment, social entrepreneurship, constructive communications and coordination of stakeholders' interests, public-private partnership, regulation, and conflict resolution.

Accordingly, each block has its methods and tools, but there must be a single vision of the development of events in the long-term perspective. At the same time, the impact can be made by the legal, administrative, and economic tools. The legal instruments are legislative (laws and bylaws with decrees and resolutions included), and regulatory (ordinances and orders). The economic means are taxes, credit, prices, fiscal, budgetary, monetary, and other types of regional policy. Administrative means should include various quotas, licenses, standards, norms, standards, permits, regulations, etc., as well as state programs, forecast indicators, and budget requests.

The formation and development of an inclusive labor market in the tourism and recreation industry will ensure the activation of processes in the field of employment; the creation of effective informational and infrastructural employment provision, which includes the creation of specialist training centers, consulting centers for the development of individual entrepreneurship, the formation of a cross-border information and analytical system for the development of tourism and recreation business, initiating the creation of public associations and volunteer organizations whose activities will be aimed at solving problems of employment and self-employment.

The following benefits will be possible:

- economic: expanding the scale of development of the tourist and recreational potential of the territories; increase in the amount of revenues to the budgets; strengthening the material base of the tourist sphere of cross-border territories; increasing the attractiveness of tourism as a sphere of international entrepreneurship and business cooperation, which will stimulate the inflow of foreign and domestic investments into the economy; creation of conditions for preservation and revival of objects of cultural, historical and natural heritage, development of recreation centers;

- social: expansion of employment and self-employment based on intensification of activities in the tourism sphere and improvement of the material well-being of the population, ensuring progressive socioeconomic changes; creation of conditions to meet the needs of citizens in active and full-time recreation and health promotion;

- ecological: ensuring compliance with norms of anthropogenic load on tourist and recreational resources and territories; ensuring the development of the tourist and recreational sphere without harming the surrounding natural environment.

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2.3. MARKERS OF INCLUSIVENESS OF URBAN AREAS: «SPACE OF FREEDOM» AND CULTURAL STUDIES

Inclusiveness as a "space of freedom" in urban areas. The rapid pace of urbanization in Ukraine and around the world has precipitated significant socio-economic, demographic, political, and environmental changes, resulting in challenges that necessitate in-depth research. This research should aim to develop appropriate organizational and managerial strategies to adapt urban spaces to meet the diverse needs and demands of contemporary society. At the same time, changing values and guidelines are rapidly shaping social behavior patterns, posing challenges in identifying proper regulations within the confines of urban territorial limits.

Given the duality of the problem of ensuring the well-being and sustainability of urban systems, i.e., the realization of the task of co-evolutionary development of humans and the environment in the context of the limited spatial resources of modern cities, let us turn to the methodological foundations and tools that shape the inclusiveness of urbanized areas.

In-depth systematic methodological studies of the inclusiveness of local development in Ukraine are presented in the works of A. Kozhina (Kozhina, 2018a; Kozhina, 2018b). In particular, the author explores the main factors of inclusive development and their relationship with the theory of spatial development of territories.

The problem of spatial development of cities in general, as well as in the context of the eco-destructive impacts of urban ecosystems on the state of the environment in a certain higher-ranked spatial system, is considered in the studies of V. Kozyuk etc. (Kozyuk, Gajda, Shimanska, 2017) and G. Fesenko (Fesenko, 2017). Development of the social space of the city aspects are considered in detail in the work of N. Gapon (Gapon, 2016), who defines it as an integral construct of the environment in which social relations take place. In the context of economic opposition between "private-public" relations, I. Tishenko (Tishenko, 2015) considers urban space and highlights the dominant role of realizing civil rights in shaping the

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status of a spatial object in the city Economic and legal aspects of the formation and growth of urbanization processes are studied in monographs and scientific reports by M. Melnyk (Melnyk, 2019), S. Bogachov (Bogachov, Melnikova, Ustimenko, 2015), V. Semenov (Semenov and Shtompel, 2014), and other researchers.

In foreign studies S. Swain, (Swain and Mohanty, 2015), R. Burdett (Burdett, 2017), G. Chiara, (Chiara, Annunziata and Mauro, 2018), Y. Afacan (Afacan and Afacan, 2011); D. Brown (Brown and McGranahan 2016) the phenomenon of inclusiveness is considered from a slightly different, to some extent broader perspective, in particular, special emphasis is given to the issue of gender as an attribute that determines the range of inclusive characteristics of urban space. The methodological approaches of foreign scientists to the determination of the urban environment practicability (comfort) level for different population categories and the principle`s system formation for urban development strategic planning based on inclusiveness are interesting Y. Afacan, (Afacan and Afacan, 2011) and D. Brown, (Brown and McGranahan, 2016).

This indicates the relevance and significance of the inclusiveness impact on ensuring the balance of social relations and the implementation of sustainable development. On this basis, an important component of the study is an axiological consideration of the urbanized areas "inclusiveness" as an attribute of the additional value formation characteristics of spatial urban objects and the relevant socio-economic aspects of such a definitional generalization.

In the context of limited spatial resources of urbanized areas, modern cities are characterized by a number of phenomena, including the reconfiguration of urban space through gentrification and commodification processes of changing the intended use of land plots and architectural elements. Such changes in the context of accelerated and uncontrolled urban zoning lead to profound transformations of socio-economic reality, significant demographic fluctuations and an increase in the level of negative ecological impact. There is a gradual marginalization and alienation of certain areas of the urban space, which is expressed in:

- increasing the level of structured urban zoning with characteristic allocation and delimitation on a functional basis;
- more rigid stratification of the population in rural areas, including the formation of centers of criminal activity;
- reduction of the area of recreational areas and urban green spaces due to alienation and development.

Generally, such phenomena lead to formation of competition for urban space objects not as purely economic, but as biological, natural category defined by resource attribute. On the contrary, the economic factor of the local development is not the dominant one, and even less the determining one. As V. Kozyuk (Kozyuk, Gajda and Shimanska, 2017) rightly notes, referring to the opinion of experts from the McKinsey Global Institute, by 2025 the "architecture" of global cities will take on a different look. The effectiveness of modern cities will be reduced not only to the availability of a favorable environment for doing business, but also to the demonstration of the best living conditions.

A. Kozhina (Kozhina, 2018b) defines *inclusive local development* as a process of structural change accompanied by economic and social activity at the local level and ensuring increased welfare based on maximum employment, individual and social security, equal access to opportunities and services for a wide range of local people using local resources. Thus, the most important attribute in the system of local development is comfort, i.e. a set of environmental conditions that create a stable state of satisfaction of citizens through safety, comfort and accessibility of urban space.

M. Melnyk (Melnyk, 2019), argues that inclusiveness is an important platform for socio-economic development both globally and locally. The main factor of inclusive development is the increase and efficient use of human capital. However, this approach determines the deep roots of utilitarianism. In our opinion, *the category of inclusiveness is somewhat broader and includes, in addition to the aforementioned attributes of economic growth and welfare, certain hidden value principles that determine the emergent properties of spatial forms and structures*. As a result, the measurement of the inclusiveness effect currently remains in a certain sense undisclosed, due to the narrowness of the methodological approach for measuring exclusively objective economic characteristics of the well-being of the population.

The category of inclusiveness, as a characteristic of urban territorial systems, can be considered both in the physical level of formal accessibility of spatial objects and in the social dimension of value characteristics determined by the level of development of the institutional environment, political reality, and ethical and aesthetic cultural context.

In a purely *spatial context*, urban inclusiveness is ensured by organizing urban planning taking into account the needs and demands of the population, including different social groups and categories (including people with disabilities), for urban ecosystem services, namely:

- absence of physical barriers to the urban green infrastructure recreational facilities (parks, squares, beaches, etc.);

- creation of appropriate infrastructure, including to meet physiological needs (system of public restrooms, restaurants, shelters, drinking water sources, etc.).

- free access to health services and other social facilities (post office, banks, etc.)
- free access to cultural services (organizing public spaces, theatres, exhibition halls, etc.).

The integral reduction of public spatial resources due to the intensification of commodification processes is a negative trend of our time. The radius of communicative activity is diminishing as privatized objects in the urban architectural and construction system cease to be the property of the population and as building density increases. Places/interaction centers shift from free public space to private objects (malls, pavilions, etc.).

Traditional urban public spaces are losing their unique anthropological component - spatial social practices characteristic of this place, society and time, which leads to the emergence of a phenomenon, the emergence of "non-places" of supermodernity - "non-anthropological" spaces without identity and history, places of transit, consumption and uncertainty, places with a very limited "program", the most typical examples of which are transport terminals and stations I. Tishenko (Tishenko, 2015), and in the current conditions of neo-urbanism development - streets, squares and shopping centers.

The economic restructuring of land use within modern cities leads to a reduction in the spatial objects of the urban green infrastructure, primarily due to:

- inadequacy and significant disregard of existing legislative and regulatory requirements in the field of urban development (requirements for zoning and environmental aspects of the construction process);
- degradation of artificially created objects of the nature reserve fund (suppression of natural mechanisms of self-healing within urban ecosystems);
- insufficient monitoring of the condition and control over the use of urban recreational objects.

In the monograph "Sustainable Development of Metropolises. Urban Aspects" V. Semenov (Semenov, Shtompel, 2014), the authors emphasize that it is in the regulatory aspect that urban governance is a strategy for overcoming social polarization, political fragmentation and transforming the city into an inclusive structure, in which actors representing local government, private business and public organizations work together to make the city sustainable and comfortable to live in. The adoption of the Law of Ukraine "On Amendments to Certain Legislative Acts of Ukraine on Ensuring Unimpeded Access of Citizens to the Shores of Water Bodies for General Water Use", which provides for legal liability of business entities for restricting free access of the population to natural objects (river shores and islands for general water use), is a clear demonstration of ensuring inclusiveness through the administrative and legal mechanism.

In another case, inclusiveness is realized through the so-called "right to the city", which manifests itself as the highest form of rights, the right to freedom, the right to individualization in socialization, the right to inhabit and the right to housing I. Tishenko (Tishenko, 2015). From this point of view, inclusiveness is defined as the cumulative effect of the level of maturity of the social institutions that, in addition to forming the infrastructural framework of the urban system, proclaim the right of the population to choose freely. In an axiological sense, this is a fundamentally different level of freedom, achieved through accessibility and a reflected awareness of this accessibility.

Inclusiveness is also defined by gender in the social dimension. Therefore, S. Swain (Swain, Mohanty, 2015) defines a "safe city" as one that contributes to the elimination of gender-based violence, while promoting equal opportunities for men and women in all areas of social, economic, cultural and political life (access to employment, education, political participation, resources and leisure, etc.). Creating inclusive cities based on gender equality values is only possible at the planning stage, taking into account the relevant gender needs and a certain individualization of urbanized areas.

The inclusiveness of urban space gives a sense of much more than accessibility, it is a deep emotional spectrum of "freedom", including economic freedom. The existential nature of freedom is something that is prior to the essence of a human being. According to Sartre, freedom is not just a freedom of the mind that leads to inaction; it is the freedom to choose that no one can take away. In this context, *the inclusiveness of the urban space is an additional essence that determines the free choice of place and time for the self-realization and the realization of one's own desires* and opportunities for the population. In the economic sense, inclusiveness expands the space of market economic relations, i.e. it gives an individual, as a subject of economic activity, a certain set of rights to implement entrepreneurial activities.

An important place in ensuring the inclusiveness of the urban space is occupied by the municipal authorities, whose main task is to maximize the use of self-financing potential for the implementation of the city development strategy, to actively attract free funds of the urban population, especially in conditions of pronounced agglomeration processes that require significant financial resources. The financial segment, whose institutions specialize in providing credit, deposit and insurance services, is one of the most dynamic elements of the cooperative sector of modern social economy models. Cooperative financial institutions in various organizational and legal forms, namely urban credit cooperatives (unions) and urban cooperative banks, can serve as tools for ensuring the availability of financial products for low-income city residents (the social basis of inclusive policies) S. Bogachov (Bogachov, Melnikova and Ustimenko, 2015).

Creating an inclusive structure of the urban space in the systemic vision of developing management processes has a positive feedback, that is, such an interaction of elements that strengthens the existing positive effects. In this context, inclusiveness has a certain dimensional structure (Fig. 1):

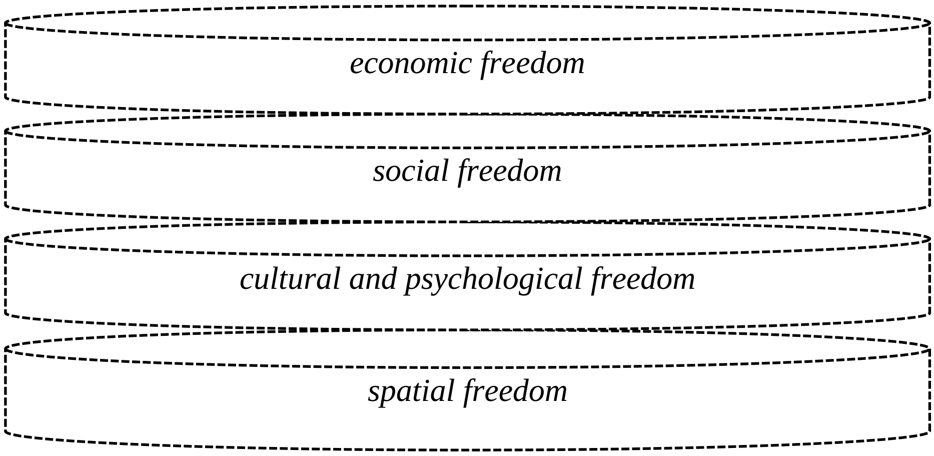

Fig. 1. Structural diagram of existential freedom dimensions in urban space inclusiveness

- economic freedom (expansion of rights with respect to the conduct of business and economic activity, creation of a favorable investment climate and institutional environment);
- social freedom (creation of favorable, safe and comfortable conditions for all strata of the population in terms of free access to social infrastructure facilities);
- cultural and psychological freedom (free conditions for creative activity and scientific research);
- spatial and territorial freedom (free access to natural objects, recreational areas and public spaces).

Within the modern concept of "new urbanism", ensuring the inclusiveness of urban space can be implemented through the channels of the so-called informal economy. New urbanism is a socially oriented direction in urban planning, which shifts the emphasis to the provision of quality of human life in urban space. In particular, Burdett R. emphasizes that an open city should have a reliable, accessible, and extensive public transportation network R. Burdett (Burdett, 2017). A comfortable and safe city is the result of taking into account the gender, age and ethnic characteristics of the population, especially in the process of urban planning and construction.

The concept of inclusiveness extends its semantic base through the identification of the concept of sustainable development. In this context, inclusiveness is considered the basis of the concept of "quality of the environment and living conditions". This includes safety, lack of social tensions (lack of segregation), reduction of transportation costs, environmental requirements, and many others. The implementation of inclusiveness is carried out, in particular, through "inclusive zoning", that is, such planning of urban space that includes requirements for accessibility and safety at the stage of development and approval of urban planning documents, as well as through the economic mechanism of fiscal regulation of the rent of objects of the urban architectural mode.

Greening, as an element of forming the inclusion of urban space in the informal economy system, is determined by implementing next four principles D. Brown, (Brown, McGranahan, 2016):

- first, the informal economy is a dynamic system of continuous development with high growth potential that must be considered in socio-ecological-economic relations;

- second, the relationship between the local government and the public sector is usually dysfunctional and in need of improvement for a green economy;

- third, the informal economy shows significant changes in the ecological indicators of urban areas due to the reorientation of production culture and services;

- fourth, the informal sector is not only important for many of the poorest households, but also has a high gender correlation and should be taken into account in the design of local social and environmental development programs.

Thus, in the conditions of significant dynamics of development of urban areas, as modern areas of socio-economic and communicative activity, endowment of urban imagination with some informal attributes of emotional context is considered as one of the necessary tools for ensuring sustainable and harmonious development.

The inclusiveness of the urban space, creating an additional value structure, transforms the urbanized landscape from a "place of struggle", i.e., constant competition and increased environmental conflict, into a "place of freedom" in the broadest existential and essential dimension, where the cultural concept acquires special importance.

A cultural factor in the determination of the level of inclusiveness. The historical context of the current stage of social development conceptualizes and proclaims openness (accessibility), equality of opportunities as one of the fundamental dominants, as a special value not only in the idealized humanistic dimension of the romanticism of the last century, but also as an element of economic progress and technological development. The characteristic of inclusiveness, which creates an additional economic entity, goes beyond the unconditionally existing imputation of social existence and appears as a certain unit that must be empirically calculated and, consequently, taken into account when forming certain strategic guidelines and tactical management decisions.

Under these circumstances, existing methodologies for measuring socio-economic development or well-being in a given space-time dimension, such as *GDP* or *HDI* (Human Development Index), lose their objectivity due to insufficient consideration of inclusiveness parameters. In response to these challenges, the Inclusive Development Index (*IDI*) was launched at the World Economic Forum in Davos (2017) and is recognized by leading international institutions as an objective tool for calculating not only the level of development of economic systems, but also the level of availability of aggregate created goods for all segments of the population, the level of participation of communities in the general production process, in the broadest discursive sense. The four main pillars of inclusive growth identified by the UN are: economy, living conditions, equality and environment (Fig. 2). In our opinion, the fifth pillar should be the cultural factor.

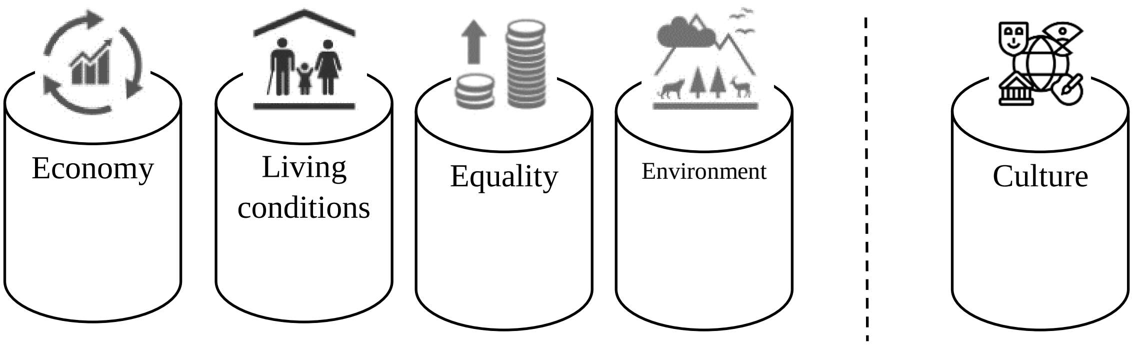

Fig. 2. The main pillars of inclusive growth

However, inclusiveness appears to be such a multidimensional and complex concept that the reductionism inherent in most empirical approaches is unable to reveal the depth of the values that underlie this definition. As a certain manifestation of the conflict between the natural and the artificial, as an indicator of the level of cultural development, the origins of inclusiveness as a socio-economic phenomenon should be sought at another level of communicative reality, at the intersection of economic systems and social structure.

The issue of methodological support for the assessment of the level of socio-economic development in general, and by means of *IDI* in particular, is considered in the works of a large number of domestic and foreign scientists. In particular, the level of inclusive development in Ukraine was analyzed on the basis of methodological approaches of the *UN*, *IMF* and *OECD* in the study by L. Yemelianenko and others (Yemelianenko, Petiukh and Dzenzeliuk, 2019). The authors come to the conclusion that in order to achieve sustainable inclusive development it is necessary to adopt the experience of most developed countries, i.e. the transition from individual isolated measures to the development of a comprehensive strategy for socio-economic growth. Regarding the possible risks and prospects of Ukraine on the basis of inclusive development, O. Prohnimak (Prohnimak, 2018) rightly notes that in most strategic documents the concept of inclusiveness, regardless of its use, performs a purely "decorative" function without revealing the meaningful essence, despite the presence of many tools for creating an appropriate legal field for inclusive growth.

Deeper methodological studies of the calculation of the level of inclusiveness in the Ukrainian reality are presented in the works of A. Uniyat (Uniyat and Yuzvin, 2019), O. Zubczyk (Zubchyk, 2018) and Y. Vlasenko (Vlasenko, 2019). In particular, referring to the methodological approaches of the *IMF*, the authors calculate the *IDI* on the basis of partial indicators, such as the *Index of Inclusive Growth (IGI)*, the *Index of Deepening Poverty (IDP)*, the *Index of Underachievement of GDP* due to unemployment and others, which collectively characterize such categories as growth and development, inclusiveness and capital distribution.

Also interesting from the point of view of further implementation are the studies by J. Gupta (Gupta, Vegelin 2016), K. Paridon (van Paridon, 2018) and others, which address the issue of harmonizing the goals of sustainable development in the triad of social-economic-environmental and inclusive development in the context of building a new, open society. The works of M. Hofmann (Hofmann, Münster and Noennig, 2019) and Justin Yifu Lin (Lin, Monga, Standaert, 2019) present an important methodological toolkit with a fairly thorough mathematical approach. The researchers emphasize the position that mechanisms for checking the representativeness and relevance of the results should be applied when using the survey as a source of information on inclusiveness.

At present, the definition of inclusiveness in certain spheres of social development has been thoroughly presented in the scientific literature, which has developed a significant scientific and theoretical basis and methodological support for the calculation of the *IDI*. However, the cultural concept of inclusive development, its definition and influence as an attribute of economic and socio-economic development is not well founded, that is why we focused on improving its content.

A review and critical analysis of the main methodological approaches and methodological principles for the determination of the level of inclusiveness shows that the main task is to find the place of culture in the formation of the characteristics of inclusiveness and prospects for the implementation of certain tools for the calculation of the influence of cultural determinants on socio-economic indicators in the context of inclusive development.

Inclusiveness, as a complex structural phenomenon, integrates a spectrum of categories that are decomposed in a certain way. The parameters of inclusiveness, the participation of citizens not only in the process of creation of a collective good, but also in the process of its consumption, are among the main items that are evaluated. Thus, in the most general approach, the economic approach identifies inclusiveness as a characteristic of the level of availability of social services and economic opportunity. In this sense, the phenomenon of inclusiveness correlates with the level of well-being and is actually the same concept as quality of life.

In most papers L.Yemelianenko (Yemelianenko, Petiukh and Dzenzeliuk, 2019); O. Prohnimak O. (Prohnimak, 2018); A. Uniyat and Z. Yuzvin, (Uniyat and Yuzvin, 2019); Y. Vlasenko (Vlasenko 2019); Kees van Paridon (van Paridon, 2018) dealing with the phenomenon of inclusiveness, the focus is shifted to a purely potential, predictive dimension. The question is always focused on the possibility of assessing the effect of "growing", that is, what can be achieved under the given conditions. In this approach, the temporality of research is always in the anticipatory stage of measuring progress. Despite the importance of such estimates, parameters reflecting current conditions, the real picture without embellishments and hypothetical expert estimates, are considered more relevant.

According to the methodology of the *IMF*, the main indicators that characterize the inclusiveness of the *IDI* are: the median income level, the poverty level and the G*ini coefficient* (according to the distribution of income and wealth). These indicators mostly reflect the degree of inequalities in society O. Zubchyk (Zubchyk, 2018), i.e. social stratification. However, a somewhat rhetorical question arises: *Which of the listed indicators reflect the characteristic of inclusiveness, and whether to the fullest extent?* Not only semantically, but also fundamentally, purchasing power, as a certain derivative of the average income level, is not an indisputable factor of inclusion, since the ability to buy something does not determine the presence of a specific object of desire. Moreover, in this case, since the characteristic of the availability of the good is to some extent a consequence of the interaction between the subject (with its set of mental patterns and attitudes) and an object (a product of a functioning economic system with a certain level of attractiveness), what criterion can determine what exactly will become the object of desire and the factor of choice, as a socio-economic phenomenon?

In this aspect, there is a significant methodological deficiency and limitation of the existing approaches to determining the level of inclusiveness, which consists in

- insufficient reference to economic categories, especially *GDP*, in the calculation and evaluation of inclusiveness indicators;
- the lack of an objective measurement of the respondents' assessment of the level of inclusiveness and, consequently, of a quantitative-qualitative transformation of such calculations;
- insufficient consideration of the factors and determinants of the behavioral characteristics of the individual as the main actor and recipient of the benefits of inclusion.

Based on the above, inclusiveness is much broader than currently defined characteristics. In our opinion, inclusiveness should be considered as an additional entity that determines the free choice of the place and time for the self-realization and the realization of one's own desires and possibilities O. Popyk, N. Khumarova (Popyk, Khumarova, 2019). The deep, essential roots of inclusiveness should be sought in the factors that determine behavioral motives, especially culture. Culture is a socio-economic phenomenon that is both a product of social creation and a factor of the surrounding reality, capable of shaping behavioral patterns through tools of cultivation or taboos.

L. Harrison begins his work (Harrison, 2017) with the expression "culture matters", and then consistently and methodically substantiates his thesis, citing numerous examples of the influence of cultural factors on the level of well-being. The presence of cultural capital (according to P. Bourdieu) semantically declares a certain unconditional economic value. Thus, *a posteriori*, it determines the importance of taking it into account. At the same time, it should be understood that a purely arithmetical calculation of the physical presence of, for example, cultural institutions or libraries, information about which is contained in most statistical directories, cannot yet be considered a characteristic of inclusiveness. However, to a certain extent it is an indirect reflection of the concept of accessibility, in this case of paper carriers of knowledge, and can be taken into account as an element of objectified cultural capital.

Therefore, there is an obvious need to add certain clarifying parameters and criterion bases that reflect the influence of culture on the level of well-being, on the level of development and, in general, on certain behavioral scenarios, to the existing indicator of inclusiveness as part of the *IDI* indicator.

A significant methodological addition to the already existing set of criteria can be considered proposed by K. Polyvach (Polyvach, 2012) modified indicator of cultural heritage (), and coefficient of localization of cultural heritage objects ($\mathbf{K_{lok}}$), which is calculated according to formula 1 and 2, respectively.

$$W = \frac{V}{\sqrt{(S \cdot P)}} \cdot \ln(S \cdot P) \tag{1}$$

V – absolute indicator of the number of objects;

S – area of surveyed area;

P – the population of the territory.

$$K_{lok} = {}^{C_{ch}}/_{C_S} \tag{2}$$

C_{ch}– share of territory by the number of cultural heritage objects;

C_S – share of territory by area.

The specified indicators, although in a somewhat simplified form, nevertheless reflect the characteristics of the accessibility of cultural heritage objects in a spatial dimension, reveal the very aspect of the possibility of involving the population, and consequently, in a retrospective part, provide an opportunity to assess the impact of the presence of the specified objects on the level of formation of certain cultural bases in the social locality, in particular through inclusion.

In the UNESCO methodology "Culture for Development Indicators: Methodology Manual" (UNESCO, 2014), an approach to measuring the impact of culture on the level of economic development is proposed, namely through the indicator of gross domestic cultural product (*CGDP*), as a component of *GDP*, calculated according to formula 3.

$$CGDP = \frac{\sum_1^n (GPV - IC)}{GDP} \tag{3}$$

GPV– indicator of the volume of production in the sphere of culture and leisure, which is calculated as the sum of profits from sales, movement of own assets and production stocks of products (goods and services);

IC – an indicator of the average level of consumption of goods and/or services;

GDP – GDP indicator.

It is suggested to assess the level of employment of the population in the sphere of culture and leisure, the level of education of specialists involved in the creation of cultural products, etc. as auxiliary indicators of the influence of the level of cultural development on economic parameters.

With the help of mathematical transformations, in particular the rules of "mini-max" averaging and regression analysis, it is possible to integrate the proposed indicators into the partial indicator of inclusiveness in the composition of the *IDI* Justin Yifu Lin (Lin, Monga and Standaert, 2019).

The main advantages of the supplementation of the methodological approach for the determination of the level of inclusiveness with the specified parameters can be considered as follows

- creating an objective possibility to assess the influence of the ethno-cultural context using indicators of the presence and availability of cultural elements (visual, spatial and mental);
- taking into account the factors of the emotional context with regard to the formation of the choice and the motives of the subjects of consumption (the inter-subjective dimension of the inclusiveness).

In general, the correlation dependence between the level of development of economic systems and the cultural background can be analyzed more comprehensively and objectively. The proposed indicators can be considered as an instrument to explain the nature of economic behavior through the set of certain external factors that influence the decision-making process and patterns that have their roots in the level formed by the cultural past.

Introducing the concept of cultural inclusiveness as a cumulative category, which includes the potential of accessibility (especially infrastructural) objects of cultural capital, becomes obvious when recognizing the unconditional influence of the attribute of cultural background on the development of socio-economic formations. The inclusiveness of culture can be determined, in particular, by such indicators as the level of media literacy, the level of cultural awareness, the sustainability of ethno-cultural regional traditions, and others.

Expanding the parametric set of indicators identified within the *IDI*, in particular by including indicators of cultural inclusiveness, makes it possible to take it to a slightly different level and to apply the results obtained in the context of strategic assessment and setting goals for sustainable inclusive development. In particular, in the triad, social-economic-environmental inclusiveness occupies a place at the intersection of these categories. This is due to the fact that accessibility and equal rights for all members of society are provided in each of these positions. According to J. Gupta (Gupta, Vegelin 2016), green growth and inclusive growth are the two most dominant dualities. They have neoliberal roots but acquire an additional dimension - the preservation of the environment or relentless economic growth and poverty reduction. In the choice of priorities, there is always a certain contradiction of objectives. As a result, there is always a certain repression (social, environmental or economic), especially in the context of inclusiveness, which is a derivative of many conditionalities.

Therefore, the presence of a significant range of theoretical developments determines the a priori difficulty of identifying the most complete, in a meaningful sense, and convenient for empirical calculations criterion in the assessment of the level of inclusiveness. However, in this case, due to the consideration of a wide range of variable characteristics, the abandonment of the holistic approach is a necessary step to obtain the most relevant results that reflect the real level of inclusiveness.

The cultural factor in the calculation of the *IDI* determines the diversity of factors that determine inclusive development. Proposals to include additional indicators in the *IDI* calculation algorithm solve the complex task of measuring the previously underestimated potential of cultural capital as a category of value-added intangible economy.

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CHAPTER 3

MODERN MANAGEMENT TOOLS IN THE GREEN, CIRCULAR ECONOMY

3.1. GREEN ECONOMY IN THE CONTEXT OF SUSTAINABLE DEVELOPMENT CONCEPT IMPLEMENTATION

Addressing environmental issues begins within a nation, but it is not feasible without international cooperation. However, international collaboration is unlikely to be possible unless a country takes certain internal steps. Environmental policy in Ukraine is centralized at the state level, and as a result, society and the state do not share responsibility for the deterioration of the environment, the reduction in life expectancy, and the worsening of public health.

Since the start of the war, Ukraine has faced unprecedented challenges that have had a destructive impact on business and the natural environment. "The war has pushed the country back decades in its development. Compared to other European countries, Ukraine needs to move much faster, not only in countering today's economic adversaries but also in building a new economy in line with European standards" (Sokolenko, 2023).

Theory and practice have shown that the ecological component is an integral part of human development. The International Commission on Environment and Development and its final report "Our Common Future" laid the foundation for a new integrated concept of sustainable (ecological, social, and economic) development. The United Nations World Summit on Sustainable Development (an intergovernmental and scientific forum) in 2002 confirmed the global community's commitment to the ideas of sustainable development to satisfy basic human needs in the long term while preserving and restoring natural communities on a scale necessary to return to the ecological carrying capacity of the biosphere.

The concept of sustainable development was a logical transition from the ecological focus of scientific knowledge and socio-economic development that began in the 1970s. Numerous scientific works addressed the limitation of natural resources and environmental pollution, which are the basis of life, economic activity, and all human activities. In response to this issue, international non-governmental scientific organizations were created to study global processes on Earth, such as the International Federation of Institutes for Advanced Study, the Club of Rome, the International Institute for Applied Systems Analysis, and others.

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The June 1972 UN Conference on the Human Environment in Stockholm and the establishment of the United Nations Environment Programme (UNEP) marked the inclusion of the international community at the state level in addressing environmental problems that were constraining socio-economic development. Environmental policy and diplomacy began to develop, environmental law emerged, and a new institutional component – ministries and agencies for the environment – was established.

In the 1980s, issues of ecological development, sustainable development without destruction, and the necessity of ecosystem sustainability became acute. The World Conservation Strategy (WCS), adopted in 1980, for the first time included provisions for sustainable development in an international document. The second edition of the WCS, published in October 1991, was titled "Caring for the Earth – A Strategy for Sustainable Living." It emphasized that development should be based on the preservation of the living environment, the protection of the structure, functions, and diversity of Earth's natural systems, which are vital for biological species. To achieve this, it is necessary to preserve life support systems, biodiversity, and ensure the sustainable use of renewable resources. Research on ecological security as a part of national and global security emerged.

In June 2012, 40 years after the first high-level international conference on the environment and 20 years after the historic "Earth Summit," a global summit called the United Nations Conference on Sustainable Development ("Rio+20") took place in Rio de Janeiro. It was one of the most significant international events of the decade, with priorities including green economy in the context of sustainable development and poverty alleviation, as well as institutional frameworks for sustainable development.

The possibilities of applying market mechanisms to address environmental challenges have been studied by domestic scholars since the late 1980s. This research covers topics such as the theoretical foundations of the functioning and stimulation of environmental entrepreneurship (Kakutich, 2007; Bohan, 2009; Voronetska, 2012), the organization of systems for converting energy and substances into consumption items by society that do not disrupt the natural balance of ecosystems (Kolotylo, 2010), methodical approaches to creating a coordinated socio-economic motivation for the environmentalization of innovative activities (Mishenina, 2010; Prokopenko, 2010), legal forms of safeguarding the eco-economic interests of economic entities (Orlov, 2010; Sudakova, 2011), theoretical foundations of sustainable societal development (Danylshyn, 1999; Mayer, 2003; Shevchuk, 2002), the importance of business participation in achieving sustainable development goals (Zapatrina, 2018), and the fundamental principles of implementing the "green" economy model in

Ukraine (Halushkina, 2017). The alignment of key perspectives and their translation into concrete measures for achieving sustainable ecologically safe development encourages further exploration of this issue.

Sustainable development is a process of changes in which the exploitation of resources, investment direction, orientation of scientific and technological development, and institutional changes are aligned with each other and strengthen the current and future potential to meet human needs and aspirations. It primarily involves ensuring the quality of life for people and the natural capital remains constant over time, from one generation to the next (Yushchishina, 2012).

In fact, the focus is not on an immediate halt to economic growth altogether but on stopping the initial stage of resource exploitation, which is often irrational. Achieving this is challenging in the face of increasing competition and key indicators of successful economic activities, such as productivity and profit. Labor productivity has continuously increased throughout human history as people accumulate experience, knowledge, and apply the laws of nature in various stages of development.

Simultaneously, the transition to an information society and economy of non-material flows of finance, information, messages, and intellectual property leads to the so-called dematerialization of economic activities. Currently, the volumes of financial transactions exceed the volumes of trade in physical goods by a factor of seven. The new economy is driven not only by deficits in material and natural resources but also by the availability of information and knowledge resources. The specific energy intensity of economic activities continues to decrease, even as overall energy consumption increases. Most international organizations within the UN system have incorporated a significant environmental component into their activities, focused on transitioning to sustainable development. World Bank experts define sustainable development as a process of managing the portfolio of assets aimed at preserving and expanding human capabilities. Assets in this context include not only traditionally counted physical capital but also natural and human capital. To be sustainable, development must ensure growth or at least the maintenance of these assets. Current approaches to measuring wealth accumulation do not account for resource depletion and degradation on one hand and investments in people, one of the most valuable assets of any country, on the other.

According to the provided definition of sustainable development by the World Bank, the primary indicator of sustainability is the "real savings rates" or "real investment rates" in a country. The current methods of measuring wealth accumulation do not take into account resource depletion and degradation on one hand, and investments in people – one of the most valuable assets of any country, on the other.

When transitioning to the definition of actual savings (investments), this drawback is addressed by adjusting the traditionally calculated savings rates: on the reduction side – by evaluating the depletion of natural resources and the damages caused by environmental pollution (loss of natural capital), and on the increase side – by accounting for the growth of human capital (primarily through investments in education and basic healthcare).

The concept of sustainable development emerged as a result of the integration of three main perspectives: economic, social, and environmental.

The economic approach to the concept of sustainability is based on the theory of the maximum flow of aggregate income, which can be conducted while preserving aggregate capital that generates this income. This concept involves optimizing the use of limited resources and applying eco-friendly practices such as natural resource conservation, energy efficiency, and material-saving technologies, including resource extraction and processing, creating environmentally friendly products, minimizing waste, and waste recycling and disposal. However, when addressing questions about which capital should be conserved (e.g., physical, natural, or human capital), how different types of capital can be interchangeable, and how to accurately evaluate these assets, particularly environmental resources, problems arise concerning proper interpretation and calculation.

The social component of sustainable development is oriented towards people and aims to maintain the stability of social and cultural systems, including reducing destructive conflicts among people. An essential aspect of this approach is the fair distribution of benefits. Desired outcomes include preserving cultural capital and diversity on a global scale, as well as more comprehensive use of sustainable development practices that exist in non-dominant cultures. To achieve sustainable development, modern society will need to establish a more effective decision-making system that takes historical experience into account and supports pluralism. Within the concept of human development, individuals are not the objects but the subjects of development. Relying on the expansion of people's choices as the primary value, the concept of sustainable development implies that individuals should participate in the processes that shape their sphere of life, promote decision-making and control their implementation. From an ecological perspective, sustainable development must ensure the integrity of biological and physical natural systems. Special importance is attributed to the viability of ecosystems, which are crucial for global biosphere stabilization. The notion of natural systems and habitats can be understood broadly, encompassing the environment created by humans, such as cities. The main focus is on preserving the self-renewal and dynamic adaptability of these systems to changes, rather than maintaining them in a particular idealized static state. Degradation of natural resources, environmental pollution, and the loss of biodiversity reduce the self-renewal capacity of ecological systems.

The emergence of the concept of sustainable growth challenged the fundamental basis of traditional economics, which advocated for unlimited economic growth. In one of the key documents of the United Nations Conference on Environment and Development (Rio de Janeiro, 1992) titled "Agenda for the 21st Century," in Chapter 4 (Part 1) concerning changes in the nature of production and consumption, the idea is expressed that we need to go beyond the concept of sustainable development. Some economists question traditional notions of economic growth and propose exploring consumption and production patterns that align with the essential needs of humanity.

Traditional economics asserts that profit maximization and consumer satisfaction within a market system can coexist with the maximization of human well-being. It suggests that any market shortcomings can be corrected through government policies. In contrast, another perspective argues that short-term profit maximization and individual consumer satisfaction will ultimately deplete natural and social resources upon which human well-being and the survival of biological species depend.

Despite the ongoing war, Ukraine has embarked on a path of green recovery, with the goal of rebuilding, promoting transparency, fundamental European values, and considering global sustainable development objectives. This includes achieving energy independence, enhancing inclusiveness, and ensuring public safety (Sokolenko, 2023).

Scholars define "green" business as commercial activities aimed at generating profits from the sale of ecological goods and services, the production and provision of which involve the use of methods and technologies that minimize the overall eco-destructive impact on the environment. Their utilization contributes to creating the most environmentally friendly living conditions for consumers in both the short and long term (Galushkina, 2017).

In order to cultivate a culture of sustainability in society through advocacy, education, international cooperation, and quality interaction between business and the public sector, the Association of Sustainable Development Experts (ASDE) has been established. ASDE has become a powerful hub for sustainability in European and Central Asian countries. The organization's mission is to form a sustainable business ecosystem by implementing projects, initiatives, sharing knowledge, and promoting the recovery and development of the economy based on sustainability. Through shared values, knowledge exchange, and mutual support, the organization realizes its potential in shaping a green economy and a sustainable civil society (Ukrainian Chamber of Commerce, 2023).

According to international classification, there are three groups of companies considered part of the "green" business:

- companies engaged in the production of environmental goods and services (traditional "Environmental Goods and Services Sector");
- firms that have taken active and independent measures to change their production or processes, considering sustainable development ("green companies/enterprises");
- all other companies that undertake measures to enhance process efficiency or alter their image (Galushkina).

This classification is related to the two-sided UNIDO agenda for green business:

- green business relates to assisting existing and new industrial sectors in reducing their consumption of energy, water, and materials, as well as reducing emissions into water, air, and land. This is an ongoing process of greening all industries to produce more while using fewer resources and generating less waste year after year;
- green business encompasses the introduction of a dynamic and innovative sector of environmental goods and services. It covers suppliers of waste processing technology and management, producers of eco-friendly technologies, those implementing energy efficiency and renewable energy technologies, and providers of environmental monitoring services (Yumkella, 2010).

One of the important ways for businesses to contribute to achieving sustainable development goals is to implement a new corporate culture that aligns with the principles of the Agenda for Sustainable Development, both in their own operations and in the surrounding environment (Agarwal, 2017).

As correctly pointed out by D. Kolotilo, "an essential ecologically-economic thermodynamic concept is the synergy of the 'symbiosis' of natural and technological systems of economic activity, and therefore the 'symbiosis' of economists, technologists, and ecologists, primarily through mutually oriented education and, as a result, productive joint work on solving complex economic and techno-ecological problems of modernity" (Kolotilo, 2010, p. 156).

Achieving sustainable social and economic growth is only possible when economic and ecological interests are aligned, with comprehensive greening of production and the implementation of eco-oriented innovations in manufacturing enterprises (Sudakova, 2011).

Given this, sustainable development of the socio-economic system is primarily associated with the greening of production and the development of the social responsibility of business structures (Fig.1).

The formation of a company's eco-economic interests must be closely tied to the environmental management system in areas where clear advantages can be gained, such as focusing efforts on immediate cost savings or ensuring compliance with regulatory requirements primarily related to its significant ecological aspects.

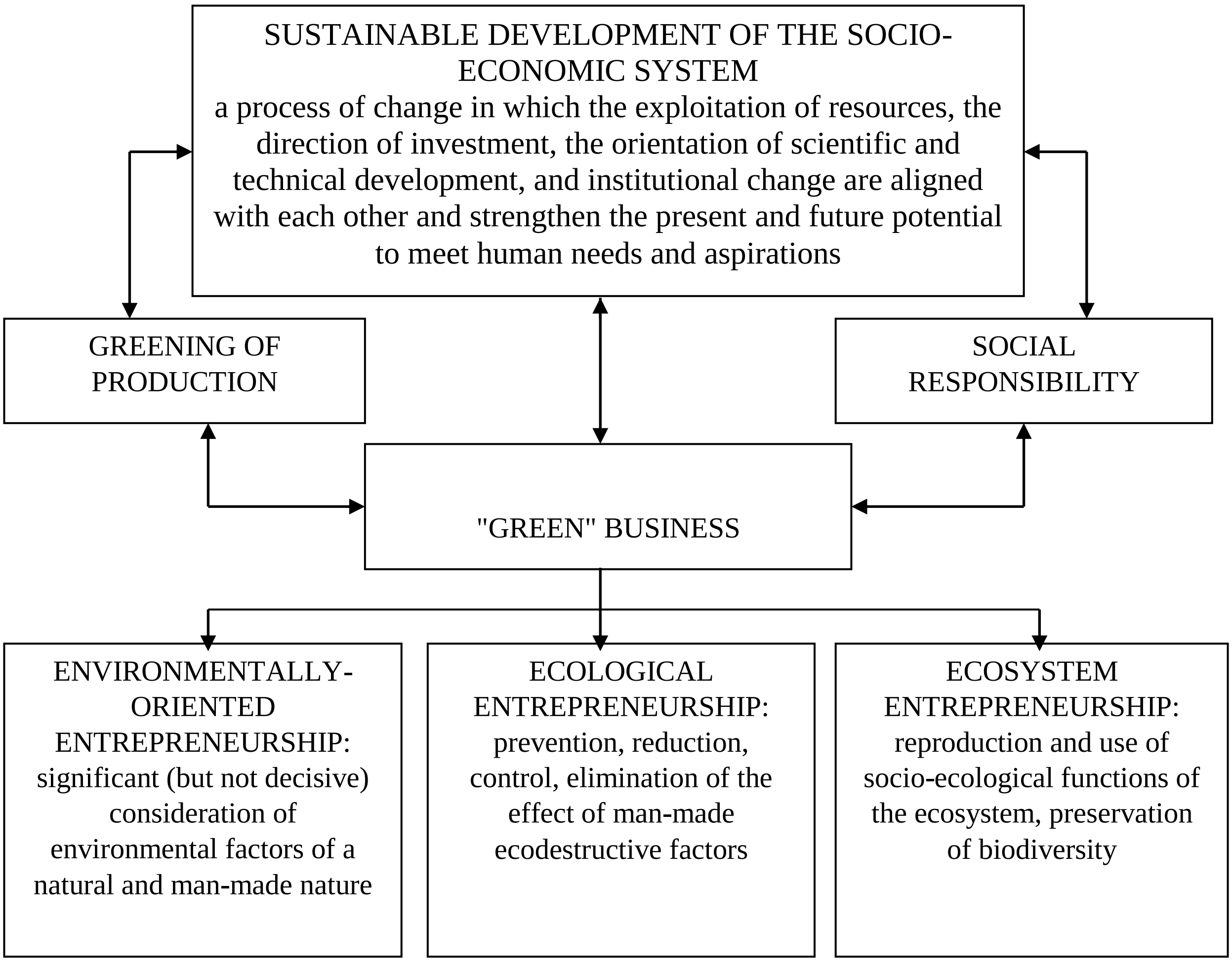

Figure 1. The Relationship between Sustainable Development and Production Ecologization.

Source: author’s construction.

Ecosystem entrepreneurship is linked to environmentally oriented activities, which are necessary for the regeneration and support of ecosystems and the preservation of biodiversity. The conditions for the development of eco-oriented entrepreneurship are determined by its environmental policy, which defines the line of behavior regarding environmental protection, rational use of natural resources, and an acceptable level of business environmental safety.

The successful implementation of environmental policies largely depends on the ability to ensure environmental safety during the production activities of enterprises, which must be considered in the interaction of ecology and economy. Among anthropogenic factors leading to unfavorable environmental situations, the sphere of production occupies a special place. Thus, environmental interests can be considered a significant element of a company's economic security.

Environmental entrepreneurship is characterized as a type of activity aimed not only at generating profit but also at addressing ecological and economic issues related to natural resource management and environmental protection.

The implementation of an environmental management system can introduce methodologies, programs, and technologies for further improving environmental characteristics. When the environmental management system reaches maturity, environmental considerations can be integrated into all decisions regarding the company's activities (National Standard of Ukraine, 2017).

It is also important to consider a set of criteria, the adherence to which will enhance the efficiency of forming the system of eco-economic interests of the enterprise.

1. The general system of eco-economic interests of the enterprise should contain a limited number of them, allowing for the organization of monitoring processes and the implementation of protective measures. The interests of the enterprise's system should include the most significant ones, selected on the principle of prioritization. At the same time, the enterprise's interest system should be sufficiently diverse in orientation and take into account the life cycle stage of a specific enterprise or industry.
2. Eco-economic interests of the enterprise should be linked to external stakeholders, i.e., they should have a specific purpose. This will ensure the effectiveness of this system.
3. Eco-economic interests of the enterprise should be presented in the form of economic indicators, allowing for their quantitative representation.
4. The existing internal contradictions of the eco-economic interests of the enterprise should be compensated by overall positive results of the activities. Such enterprise interests as a positive environmental image of the company, the production of goods or services, increased production volumes, improved product quality, which do not have practical mechanisms of comparison, should be determined based on their impact on the final process of reproduction.

In summary, based on the above, it can be noted that the progress of economic science has led to greater consideration of the ecological component in the system of factors affecting sustainable development and national security. On the one hand, most traditional natural resources have become scarce. This applies not only to non-renewable resources but also to so-called renewable resources, primarily ecosystem resources (ecosystem "goods" and "services") and biodiversity. One definition of sustainable development is long-term sustainable development. Since nature is the basis of human life, its depletion and degradation under existing economic relations negatively affect social relations and production and consumption structures. On the other hand, it has been found that many renewable natural resources do not have proper value, which leads to their depletion and degradation. Therefore, the transition to ecological economics and sustainable development has taken place.

Therefore, to enhance the socio-economic impact of environmentally oriented business activities, it is possible to create a macroeconomic environment that promotes strengthening the financial state of market-based interaction. A successful combination of government regulation tools and market-based incentives for environmentally oriented, ecological, and ecosystem-based entrepreneurship will allow the multi-sector national complex of the country to adapt to market demands and conditions of self-sufficient "green" economy principles.

Considering this, it is advisable to identify key directions for strengthening ecological focus as guarantors of implementing EU environmental policy and integrating principles of sustainable development into the country's sectoral policy:

1) implementation of environmentally friendly technologies, which can be achieved through the development and approval of relevant regulatory documentation, including the implementation of concepts and further strategies and action plans for the development of cleaner production, and so on;

2) implementation of closed-loop and low-waste technological processes, increasing the use of secondary resources and waste disposal rates, among others;

3) enhancement of agricultural practices, the adoption of new technologies with so-called zero soil cultivation cycles;

4) ensuring public access to quality environmental goods and services (recreation, sanitation, household use, etc.);

5) addressing issues related to energy resource availability and reducing the risks of future environmental conflicts through the broadest use of alternative and renewable energy sources;

6) raising the level of ecological awareness and education;

7) ensuring transparency and openness of environmental information as a necessary condition for the realization of citizens' constitutional rights and their conscious participation in environmental activities;

8) adherence to the principles of sustainable development and the rational use of natural resources to preserve them for future generations.

The alignment of the primary perspectives: economic, social, and environmental, and their translation into specific measures that are means of achieving sustainable development, is a priority task since all three components of sustainable development must be considered in a balanced manner. It is also important to investigate the mechanisms of interaction between these concepts. The economic and social components, interacting with each other, generate new tasks such as achieving fairness within a single generation (e.g., income distribution) and providing targeted assistance to disadvantaged population groups. The mechanism of interaction between the economic and environmental components generates new ideas regarding the valuation and internalization of external environmental impacts. Finally, the link between the social and environmental components raises interest in issues of equality, compliance with the rights of future generations, public participation in decision-making, and the development of green industries.

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3.2. TRANSFORMATION OF FOREST SECTOR MANAGEMENT IN THE CONTEXT OF THE TRANSITION TO A GREEN ECONOMY

1. Ecological and economic relations in the forest sector as the basis of green transformation

It should be noted that in the forest sector it is possible to distinguish many types and directions of manifestation of ecological and economic relations that require green transformation, a meaningful systematization of which is presented in Figure 1. In each type of ecological and economic relations, it is possible to distinguish subjects that directly carry out these relations, and the object to which they are directed.

A classic type of these relations are relations between forestry and wood processing business entities, foreign buyers, which are aimed at coordinating the quality, volumes and prices of purchase and sale of forest raw materials and products on the market, protecting the interests of interested entities.

The next type is the relationship between business entities and end consumers of forest sector products, which arise in connection with the sale of products, transportation, after-sales service, repair, settlement status, that is, they involve direct contact with buyers.

Somewhat more complicated are the relations regarding the change of ownership of forest resources and the property of business entities, which involve the granting of the right to use, dispose, own, lease, concession, pledge, trust management of both forest resources and tangible or intangible assets of business entities forest sector.

Relations between business entities and market institutions (banks, stock exchanges, insurance companies, etc.) are also important, which arise in connection with crediting, pricing, insurance, legal support, marketing, logistics and are aimed at creating proper infrastructure support for the activities of economic unit’s forest sector. Relationships between business entities and state and local self-government bodies, which, as a rule, arise in the process of taxation, lobbying, verification of economic activity, certification, standardization, administrative influence and other actions carried out at various levels of the state are mandatory management.

A feature of these relations is the need to comply with current legislation, orders of state authorities and local self-government.

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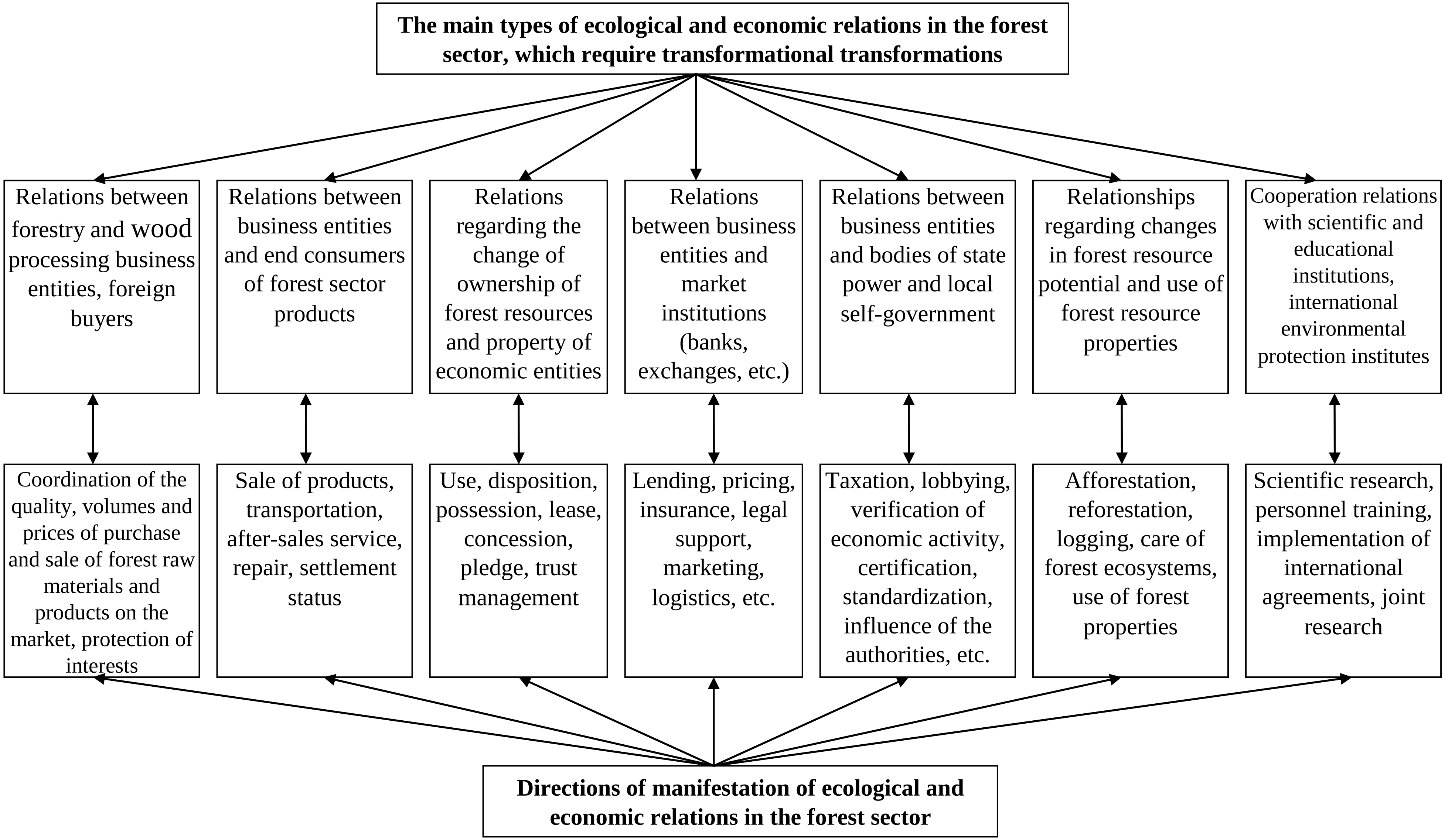

Fig. 1. Types and directions of manifestation of ecological and economic relations in the forest sector in the context of green transformation (*Source: author's work.*)

Relations regarding the change of forest resource potential and the use of the properties of forest resources are aimed at direct interaction with forest ecosystems through afforestation, reforestation, logging, care of forest ecosystems, use of beneficial properties of forests. It is these relations that characterize the degree of rationality, tirelessness, and complexity of forest use.

Cooperation relations with scientific and educational institutions, international environmental protection institutes regarding the conduct of joint scientific research, personnel training, implementation of international agreements, and joint research are of great importance for the prospects of the development of the forest sector. The prospects for the development and application of modern methods in various spheres of activity of forest sector entities, as well as the state of personnel training for its economic units and the prospects for the development of domestic forestry science, depend on the level of organization of these relations.

Therefore, ecological and economic relations in the forest sector are diverse and interrelated, covering different spheres of activity of its subjects at different levels of management, which allows considering them from the standpoint of a systemic approach. That is, the totality of the considered types and directions of manifestation of relations in their interconnection should be considered in the form of a system of ecological and economic relations of the forest sector. The system of ecological and economic relations in the forest sector consists of a number of elements that can be considered as subsystems (Fig. 2).

The subsystem of ecological and economic expertise and control is designed to provide a proper expert opinion on compliance with the specified ecological and economic standards, as well as to carry out current and final control over the progress of the implementation of the decisions made and this or that field of activity of forest sector entities. The subsystem of regulatory and legal support is aimed at creating an appropriate legislative and regulatory framework for the implementation of appropriate legal support for the process of preparation and making important decisions regarding the prospects for the development of individual links or subjects of the forest sector.

The subsystem of coordination and regulation is designed to carry out coordinating measures among the executors who carry out the implementation of the specified tasks, as well as to timely detect and eliminate negative deviations of the obtained results from the established permissible parameters.

The subsystem of planning, analysis and evaluation of results is aimed at the formation of a powerful analytical unit that will ensure the use of modern methods of analysis, evaluation, forecasting, monitoring and modeling of ecological and economic processes in all branches of the forest sector.

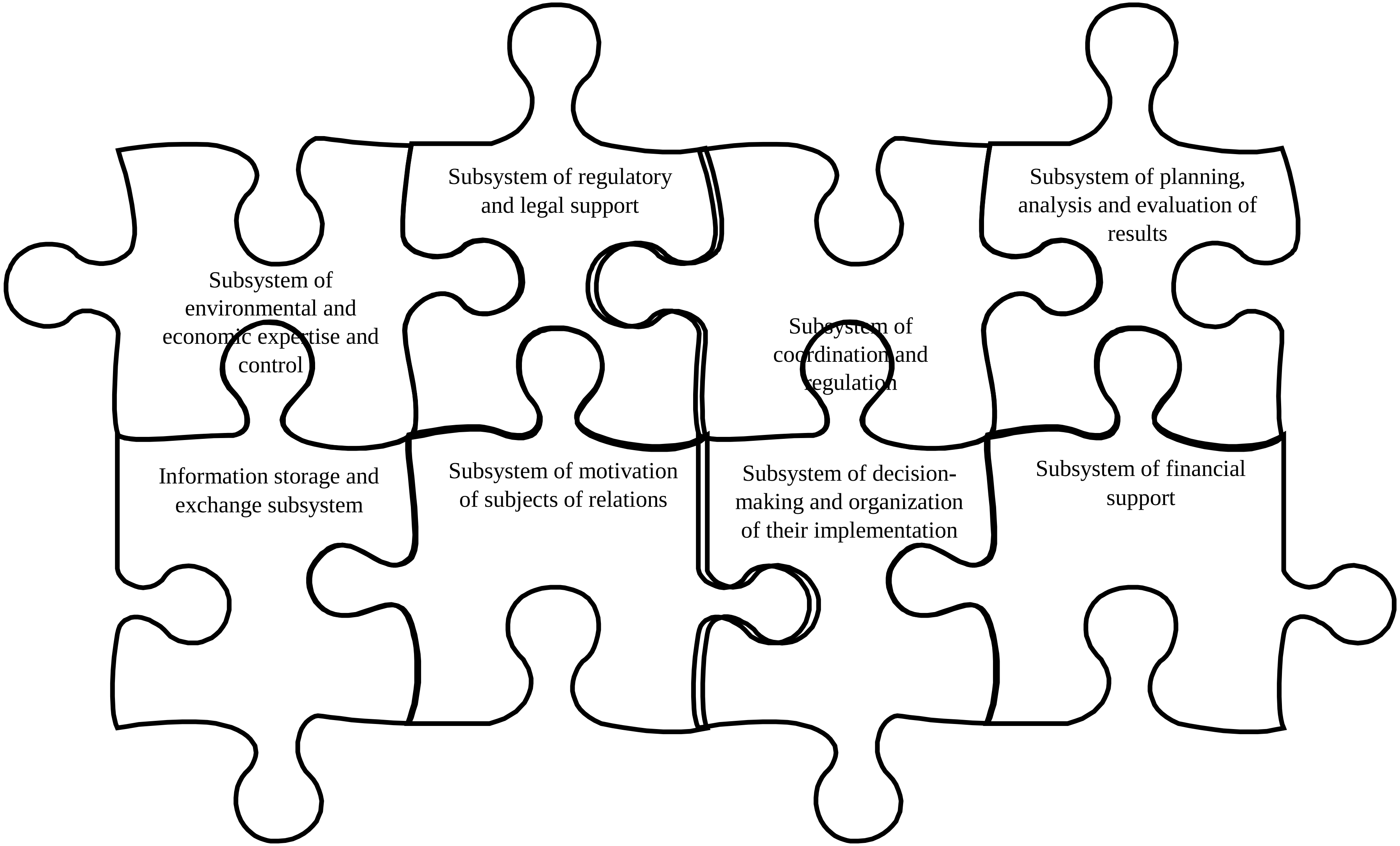

Fig. 2. Elements of the system of ecological and economic relations in the forest sector (*Source: author's work)*

The subsystem of information accumulation and exchange is designed to organize the process of providing and transferring professional information to the subjects of management decision-making, based on compliance with the requirements for its completeness, speed of movement, confidentiality and periodicity.

The subsystem of motivation of subjects of ecological and economic relations is responsible for the formation of effective systems of motivation and stimulation of both individual employees and labor teams or the enterprise as a whole in order to achieve the target indicators of personal and collective activity.

The subsystem of decision-making and organization of their implementation is focused on solving the key dilemma of management links - which solution from possible options should be chosen, as well as how to organize executors to ensure the implementation of this decision.

In today's difficult economic conditions, the subsystem of financial support becomes almost the most important, because without adequate funding, the work of all previously considered subsystems can be paralyzed. Therefore, this subsystem is also responsible for finding additional sources of funds and the effectiveness of their use for certain purposes.

Therefore, the system of ecological and economic relations in the forest sector is an ordered set of interrelated subsystems, which are designed to create appropriate regulatory, administrative, informational, motivational and financial support for the processes of extended reproduction, protection, harvesting and processing, use of useful properties of the forest for at all stages of creating added value in the forest sector. A scientific study of the essence and features of the content of the concepts "transformation", "ecological-economic relations", "forest relations" based on the application of a systemic approach made it possible to form an appropriate theoretical basis for their further application during the study of the characteristics of the transformation of ecological-economic relations in the forest sector.

2. Domestic problems and foreign experience of ecological and economic transformations in the forest sector

Today, it is extremely important to generalize the existing approaches and, based on them, develop our own proposals for determining the directions of transformation of ecological and economic relations in the forest sector in accordance with the principles of modern national forest policy, national priorities and international agreements in the face of global challenges. The Concept of Reforming and Development of the Forest Industry of Ukraine (Concept, 2008), the State Strategy of Forest Management of Ukraine until 2035 (State Strategy, 2021) and the

Resolution of the Cabinet of Ministers of Ukraine " Some Issues of Forestry Management Reform " (Resolution, 2022) propose the main ways and means of solving the problems of forestry development, which consist in carrying out reforms using positive domestic and international experience, combining state support measures and implementing market mechanisms in forestry, preserving mainly state ownership of forests: increasing the efficiency of forestry management; reforming the economic and financial system of forest management; improvement of forestry management; ensuring efficient use of forest resources; activation of international cooperation. Sustainable and systematic development of forestry will ensure a clear vertical of state power. Therefore, the strategy for the development of the forest sector in Ukraine, in addition to increasing the area of green areas, combating illegal timber traffic, creating conditions for roundwood processing and establishing production from raw materials of finished products directly on the ground, also provides for joining the departmental forests of the State Agency of Forest Resources of Ukraine and those , which are subordinated to the Ministry of Agrarian Policy and Food of Ukraine and the Ministry of Defense of Ukraine.

Solving the problems of protecting forests from fires and poaching, forming a transparent wood market through forest auctions, increasing the construction of new forest roads, and implementing an electronic wood accounting system are also relevant. In order to obtain complete and agreed information about the state of the forest fund of all forest users in each region of the country, the implementation of modern GIS technologies is envisaged, which include satellite monitoring, the use of remote sensing devices, and the creation of topographic maps.

So, today there are prerequisites that do not make it possible to form an alternative model for the reconstruction of the forest management system due to the institutional imbalance of individual elements of the management vertical. Therefore, the management and scientific elite are faced with a dilemma: either transfer of powers to a single management body, or preservation of management bodies for forestry activities on a sectoral and functional basis. One of the possible options is also the creation of an independent unified management body for forestry and wood processing. The choice of one of the three options indicated above depends on how radical the market transformations in the field of nature management will be and how intensively the administrative-territorial reform will take place.

We support the opinion of some scientists (Pavlishchuk, Kravets, 2015) that the implementation of organizational and economic mechanisms of innovation management for the forest complex based on the study of foreign experience, analysis of the theoretical foundations of innovation management and the features of innovative marketing and management technologies at forestry enterprises is an acute scientific problem. All this determines the relevance of the development of theoretical and methodological provisions of the theory of management of innovations in the forest complex for the formation of new technologies of management of forest resources in a modern competitive environment.

In general, one should support the opinion (Shubalyi, 2015) that when justifying the directions of transformation of ecological and economic relations in the forest sector, it is necessary to observe the balance of economic, ecological and social interests, which is the principle of sustainable development. Retrospective analysis is very important for the formation of new forest policy principles. Forestry differs from other branches of material production in the long period of the production process. This imposes an additional burden of responsibility on decision-making subjects and increases the importance of forecasting the consequences of both forestry measures and organizational changes. On the basis of the conducted research, it is possible to group the main problems and identify risks in the system of ecological and economic relations in the forest sector at different levels (Fig. 3).

In particular, the solution of general management problems is mainly associated with the need to consolidate economic and control functions for various departments and entities of management, the distribution of powers of central and regional management bodies and the development of principles of interaction between them, substantiating the directions of interaction of regional units with local authorities , implementation of elements of environmental management (forest certification, standardization, environmental audit, expertise, licensing). When solving organizational and legal problems, it is important at the national level to make a decision on the feasibility of restructuring state forestry farms (separation of forest cultivation from logging and processing), to work out in more detail the prospects for the development of the cooperative movement in forestry, to consider the possibility of corporatization and the creation of holding companies based on the experience of neighboring European countries systems of state forest farms. But at the same time, we must not forget about stimulating development and strengthening control over the activities of small forms of management (private foresters), as well as about the feasibility of transferring agrarian forests and forestry enterprises to the sphere of management of the State Agency of Forest Resources of Ukraine and simplifying the procedure for the privatization of forest fund lands. On the way to solving financial and credit problems, it is important to consider the expediency of preserving budget funding for forest-provided regions, the use of alternative sources of funding (bank lending, private investments, environmental insurance, special funds, international grants, leasing operations, etc.), as well as financial methods of stimulating afforestation (afforestation of unproductive lands).

Grouping of the main problems of the transformation of ecological and economic relations in the forest sector

Management	Non-transparency of management decisions; inconsistency of decisions of different levels of management; neglecting the interests of local communities; low level of justification of decisions
Organizational and legal	Deterioration of the performance of enterprises; reduction of state interests; limiting investment opportunities; limitation of private initiative; creation of artificial barriers for the development of business entities of the industry
Financial and credit	Inefficiency of the budget financing system; growing deficit of funds for expansion of activities; inefficient use of unproductive land
Fiscal	High tax burden on loggers; limitation of the tax base; growing deficit of local budgets; unfair distribution of forest rent
Ecological	Reduction of the area of the forest fund; increase in losses from forest fires; deterioration of the quality characteristics of wood; increasing the scale of environmental disasters
Social	Lack of interest of employees in work results; insufficient level of satisfaction of life needs; increase in areas of arbitrary logging and development of shadow business
Market	Inefficient product sales system; increase in the shadow circulation of wood; increasing raw material exports and limiting own wood processing
Technical and technological	Moral obsolescence of fixed assets; high cost of forestry; inefficient use of waste; high energy consumption of products; non-competitiveness of domestic products
Regional	Shortage of funds; increase in wind erosion of soils; increase in the probability of floods in mountainous areas; increase in fire danger in forests; inefficient use of radiation-contaminated forests
Sectoral	Low quality characteristics of forests; non-use of additional income reserves; the decline of the field of advanced wood processing; extinction of hunting animals; restrictions on the use of non-raw materials of forests; gateway to unique forest ecosystems

Fig. 3. Grouping of the main problems of the green transformation of ecological and economic relations in the forest sector.

The peculiarity of solving fiscal problems is connected with the need to justify the optimal size of the forest tax or to change the method of calculating the forest tax in general (for example, using the experience of neighboring Poland), studying the feasibility of charging a forest tax for forest maintenance fellings, reviewing in the context of decentralization of powers the principles of distribution of forest boundaries budgets of different levels, as well as the possibility of replacing the forest tax with rent (the tax rate depends on the market valuation of forest resources).

Prospects for solving environmental problems in the conditions of the economic crisis are connected with the need to reduce the area of forests destroyed by pests and diseases, increase the level of coverage of territories with fire protection and equipping fire brigades, reduce the level of drying of stands due to climate warming, improve the ecological state of natural ecosystems due to the rationalization of forest use.

Solving social problems is directly related to increasing the economic efficiency of forest users, which will allow them to increase the level of wages in forestry and hunting, create new jobs for workers in the off-season, provide workers in the industry with new housing and improve their living conditions, and also increase the level of social protection of former retired employees. In the end, this will allow to increase the level of socio-economic development of forested rural areas. In order to solve a number of market problems, it is important to continue developing the infrastructure of the forest resources market (forest exchanges, consulting, auditing companies, trading houses, intermediary structures), prevent the shadow circulation of wood and secondary forest resources, improve the mechanism of conducting forest auctions, strengthen the regulation of the export of forest resources and contribute, first of all, to meeting the needs of domestic processors in forest raw materials. Technical and technological problems are of a systemic nature for all branches of the forest sector and are associated with a high level of wear and insufficient level of renewal of fixed assets in the industry, a low level of automation of forest restoration and logging processes, outdated energy-consuming woodworking equipment, a low level of involvement of waste in production, insufficient the level of implementation of the latest technologies. As we can see, the very interpretation of these problems contains the key to their solution. It is only important to form an effective mechanism for innovation and investment support of transformational processes in this direction. Solving information and communication problems involves increasing the level of GIS use in the process of monitoring the condition and inventory of forests, transitioning to the total use of specialized complex information systems for managing the effectiveness of individual entities of the forest complex and their associations, increasing the level of information and communication support for the development of logistics systems, wide distribution of visual campaigning and expansion of public relations, activation of systematic marketing research of the market situation and development of competition in the forest sector.

Taking into account the fact that the regions of Ukraine are characterized by different forest resource potential and the level of development of the forestry sector, there is a need to separately consider and solve their regional problems. Among them, we can highlight: the need to ensure the self-sufficiency of forestry enterprises in the forest-provided regions of the Polissia and Forest-Steppe zones, the stimulation of field protection afforestation processes in the regions of the Forest-Steppe and Steppe zones, the introduction of a system of ecologically balanced forest use in the Carpathian zone, the strengthening of fire protection of Crimean forests, the introduction of a special forest use regime in radioactively contaminated forests.

The solution of sectoral problems is connected with the need to spread the foreign experience of creating model forests, stimulation of complex wood processing and resource conservation processes, development of industries from in-depth wood processing (forestry plants), increase (restoration) of hunting animal populations and intensification of hunting, stimulation of involvement in circulation of non-raw materials qualities of forests (recreation, hunting, products of non-wood origin), as well as studying the expediency of expanding the areas of nature-reserved forests. In order to solve the mentioned problems and reduce the risks of reducing the efficiency of the forest sector and its economic links, it is necessary to form an effective system of management of transformational processes, which should integrate all the strengths of their activities and localize possible external and internal threats. For this, it is necessary to clearly formulate, discuss and legislate the priorities of the sustainable development of the domestic forest sector, its regional subdivisions and individual economic units.

Including taking into account the regional features of forestry development, for example, by separately highlighting the status of radioactively contaminated territory. The same applies to the necessity of harmonizing national criteria and indicators of sustainable development of forestry, making appropriate changes to the Forest Code and normative documents (rules, instructions), which should be adopted as a package.

Therefore, there are still many unresolved issues in the management system of the forest sector today, which hold back the process of its transition to the principles of sustainable development. It is important to understand that only a competent and balanced approach to solving these problems will allow creating an appropriate organizational and economic basis for the further approximation of forestry activity standards to the ideals of sustainable development in the conditions of economic globalization and the harmful effects of climate change. Ensuring sustainable management of forests will allow our country to receive additional benefits from the sale of unused quotas for greenhouse gas emissions and direct these funds to the further greening of forestry through the introduction of innovative energy-efficient and resource-saving technologies based on taking into account the contribution of each region to the overall result.

A number of important conclusions can be made on the basis of the conducted study of the foreign experience of the organization of the forest sector management system from the point of view of the possibility of its application in the process of transformation of ecological and economic relations in Ukraine:

1. Each country builds a forest sector management system in accordance with its own administrative system, socio-economic and political situation, existing forest resource potential, level of development of market infrastructure and external environment, therefore they differ in structure, powers, principles of interaction organization and functions of individual levels management, tasks of primary links.

2. In the process of reforming the forest sector management system, none of the countries tried to copy the experience of neighbors or leading developed countries, which ensured a high level of efficiency in the functioning of all links of the forest sector. Structural transformations should take place in stages, taking into account, if possible, the positions of various interested parties (the state, local communities and the population) and have appropriate legal and methodological, institutional, financial, personnel and technical support.

3. The issue of reforming ownership of forest resources in the direction of giving priority to private, state or communal is not a key factor that determines the effectiveness of the functioning of the forest sector as a holistic and multifunctional management system. This is evidenced by the experience of Canada (where state institutions own 94% of forests) and the USA (where 10 million private owners own about 75% of forests), which are neighbors, but this does not prevent these countries from ensuring a high level of efficiency of the forest sector.

4. Certain regularities regarding the dependence of the administrative status of the management body of the forest sector and the efficiency of its work have not been revealed. Although in many countries the forest sector management body is not raised to the level of a separate ministry (as in Turkey), but is subordinated to the Ministry of Natural Resources or Environmental Protection (as in Canada, Poland and Estonia) or the Ministry of Agriculture (as in the USA, Slovakia). And, for example, in Finland, the Ministry of Agriculture and Forestry deals with these issues. Instead, in the Czech Republic, there is no separate management body for the forest sector, and general management is carried out by four departments within the structure of the

Ministry of Agriculture. In countries that have a federal system (Canada, the USA, Germany), individual federal entities, as a rule, have their own forest sector management bodies (in Germany, even at the level of ministries) with greater powers for operational and tactical management of the processes taking place in the forest complex, and the issue of strategic management is mainly the prerogative of the central authorities of the federation.

5. In international practice, a unified approach to the organization of the forest management system, which is owned by the state and municipal entities, has not been developed. In a number of European countries (Poland, the Czech Republic, Slovakia), state forests are managed by a state holding company that has an extensive network in the regions and is mainly engaged in forestry activities. In countries with a significant share of private forests, wood is sold "at the root" to state or private structures under direct contracts or auctions, which further harvest and process wood. In countries with predominant state ownership of forests (for example, Canada), lease relationships and a concession form of transfer of forests for temporary use are also developing.

6. In countries in which part of the forests are privately owned and which have a small area, the state, through the mechanism of targeted financing, providing subsidies (for example, Poland) or from special funds, fully or partially compensates the costs of private owners for the reproduction and maintenance of forests, assembly forest management plans. State forestry structures also provide significant support to private forest owners, as a rule, it consists in the protection of forests, provision of necessary equipment, seeds and planting material. In many countries (Turkey, Germany, the USA) the cooperative form of association of small private forest owners has become widespread, in Finland separate forestry associations are being created, and in Slovakia, forestry in private forests is conducted by state structures.

7. Important links of the forest sector of every forest-provided country are the woodworking and pulp and paper industries, which in the vast majority of countries are privately owned, as this contributes to the attraction of additional investments in the development of production, although in a number of countries (Sweden) individual woodworking capacities are state-owned enterprises. The most common forms of timber purchase are "wood sales at the root", auctions, stock market trading, and direct contracts.

Creation of an effective management system of economic processes in all economic links of the forest sector is the most important task facing domestic science and practice today. After all, the transformational processes that have taken place in the forest sector of Ukraine since the 90s of the 20th century did not yield positive results, and inaction in the future may lead to the decline of the infrastructure created by previous generations of foresters and the loss of potential benefits that the forest sector can provide in the future to the national economy of the country. Therefore, the main attention in further research should be focused on the further substantiation of theoretical and methodological provisions that will form the basis for solving the problem of transformation of the system of ecological and economic relations in the forest sector. Therefore, the development of a national model for reforming the forest management system in order to increase the efficiency of using the natural resource potential of the forest sector should be based on a critical analysis of domestic and foreign experience in solving the problems of managing the efficiency of forestry enterprises. The institutional norm, which is characteristic of most countries of Central and Eastern Europe and which should be transferred into domestic practice, is the decentralization of forest management through increased responsibility of regions for the efficiency of their use. Studies show that it is worth borrowing Poland's experience in keeping forestry enterprises under state control and increasing the centralization of financial flows through the creation of forestry holdings.

3. Target guidelines for the transformation of ecological and economic relations in the forest sector in the context of the transition to a green economy

The forest sector is one of the strategically important sectors of the national economy, as it encompasses a set of economic links that ensure the reproduction, harvesting, protection and use of the forest, which by its very nature is a unique natural resource with multi-purpose value, to meet various material and non-material human needs. It is on the basis of taking into account these features and based on modern trends and regularities of the development of the national economy in the conditions of a systemic protracted crisis, which is aggravated by the growth of external and internal threats, that the principles and priorities of transformational transformations in the forest sector should be determined. An important scientific task arises, which consists in developing, on the basis of studying the positive experience of neighboring post-socialist European countries, our own market-oriented model of transformation of ecological and economic relations in the forest sector. In order to solve the key problems of the development of the forest sector in the context of further European integration, it is necessary to define the main provisions of state policy in this area, principles and goals, as well as a methodological approach to the transformation of the system of ecological and economic relations in the forest sector for the near future (Shubalyi, 2017).

In the works (Lischuk, Shubalyi, 2008), (Cherchyk et al., 2020), (Mishenin et al., 2021) it is rightly stated that the transformations in the forest sector should be studied in close connection with the transformations that took place in the country and throughout the world in the economic, industrial and social spheres and contribute both to deepening the understanding of the laws of forest transformations and to forecasting the directions of the development of the country's forest sector, taking into account new challenges and developing solutions for innovative development, deep and qualitative changes in the structure of its enterprises, increasing its effectiveness and significance for the country's economy and social sphere. The developed methodological approach to carrying out the transformation of the system of ecological and economic relations in the forest sector (Fig. 4) provides for the activation of the actions of its subjects with the aim of forming a national model of transformation adapted to the influence of internal and external factors (Khvesyk et al., 2019). At the initial stage, subjects of transformation at all levels of management should ensure the study of the content, forms, methods and features of the transformation of ecological and economic relations in the forest sector of Ukraine and in foreign countries. In the course of performing this task, three possible directions of the subject's actions can be distinguished: conducting an analysis and assessment of modern trends and regularities, resource limitations of the development of forest sector links - involves the use of modern methodical approaches and information technologies to study the so-called "bottlenecks"; the formation of the basic principles of the transformation of ecological and economic relations in the forest sector - which will allow creating an appropriate theoretical base for a meaningful interpretation of transformational transformations in the system of ecological and economic relations; a critical analysis of the modern concept and key ecological and economic problems of the development of forest sector links - involves studying the advantages and disadvantages of the existing system of ecological and economic relations in the forest sector, which will allow choosing the priority directions of further pro-European transformations.

Further influence of transformation subjects of all levels of management should be aimed at transforming the system of ecological and economic relations, which acts as an object. In the process of subject-object relations, it is advisable to highlight individual components of the system of ecological and economic relations: a subsystem for determining the goals and basic principles of the state policy of transformation of the system of ecological and economic relations in the forest sector; a subsystem of forming approaches to the transformation of the system of ecological and economic relations in the forest sector; subsystem of justification of the economic mechanism of transformation of the system of ecological and economic relations in the forest sector; a subsystem of justification for the creation of new organizational forms of management aimed at the implementation of transformational changes.

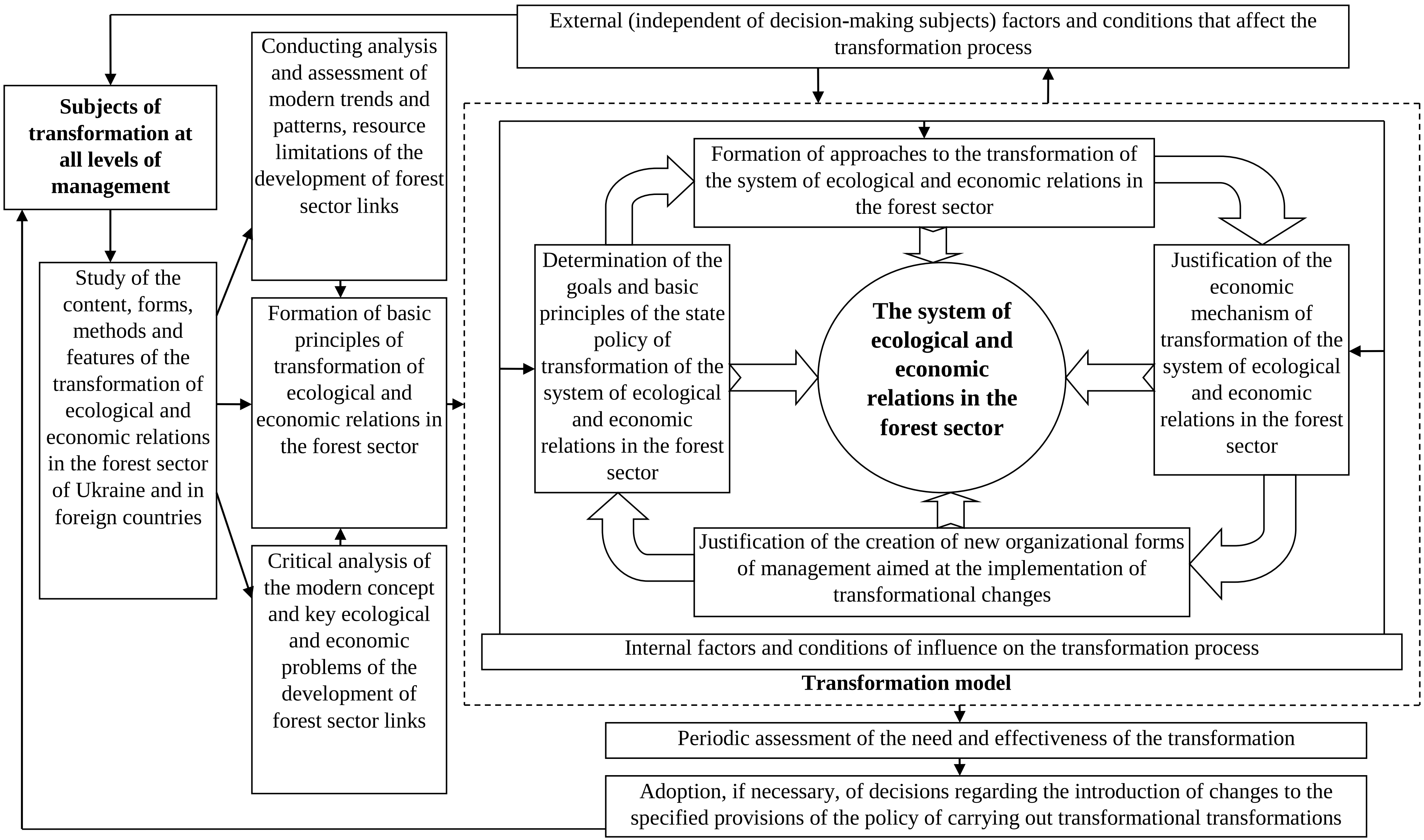

Fig. 4. Methodological approach to the transformation of the system of ecological and economic relations in the forest sector in the context of the transition to a green economy (*Source: author's work.)*

The considered subsystems, together with internal factors and conditions affecting the transformation process, form a specific model of transformation that constantly interacts, exchanges information, is under the influence of external (independent of decision-making subjects) factors and conditions that affect the transformation process as a whole.

At the final stage, a periodic assessment of the need and effectiveness of the transformation in the system of ecological and economic relations in the forest sector is expected, and it may also be necessary to make, if necessary, decisions to amend the previously defined provisions of the transformation policy. The described process of transformation of the system of ecological and economic relations in the forest sector can be cyclical in nature, because if the assessment shows the need for further subject-object transformations, then all previous stages of transformation must be worked out again. Thus, the developed methodological approach to the transformation of the system of ecological and economic relations in the forest sector involves the constant interaction of the target subsystem of the subject, which determines the goals and directions of their implementation, with the functional subsystems of the object, which form a model of transformation according to the principle of feedback.

Therefore, at the next stage, there is a need to determine the goals and basic principles of state policy, form approaches to transformation, substantiate the economic mechanism of transformation, and create new organizational forms of management aimed at implementing transformational changes in the forest sector and its economic links. The task of developing the basic provisions of the state policy for the development of the forest sector as a holistic, multifunctional, natural-resource, open ecological-economic system arises. At the same time, it should be taken into account that the forest sector development policy, like any policy, cannot be comprehensive, especially in the current complex socio-economic and political conditions. This involves the selection of the most significant from the entire complex of modern ecological and economic problems of the development of the forest sector, which cover several economic links, as well as important for the national, regional and local levels of state administration and most economic entities.

Taking into account the above, the state policy for the development of the forest sector, in addition to the traditional tasks of ensuring extended forest restoration and strengthening the protection and protection of forests, should be focused on the implementation of the following priority directions, each of which corresponds to the main tasks and measures (Fig. 5):

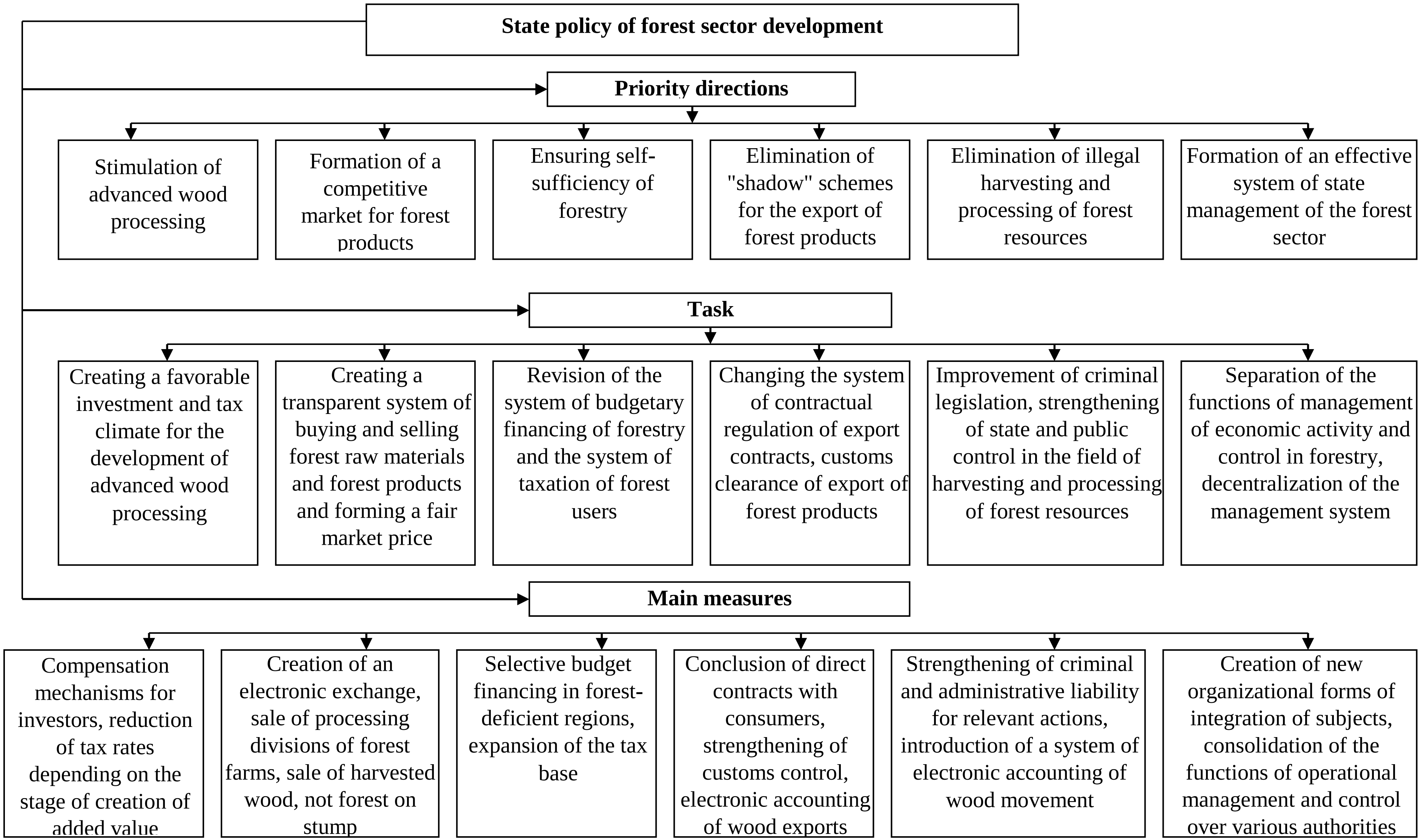

Fig. 5. State policy for the development of the forest sector in the context of the transition to a green economy (*Source: author's work).*

- stimulation of advanced wood processing - provides for the creation of a favorable investment and tax climate for the development of advanced wood processing, due to the creation of appropriate compensation mechanisms for investors, reduction of tax rates depending on the stage of creation of added value;

- formation of a competitive market for forest products - provides for the creation of a transparent system of purchase and sale of forest raw materials and forest products and the formation of a fair market price due to the creation of an electronic exchange, the sale of processing divisions of forestry farms, as well as the sale of harvested wood, not wood on stumps;

- ensuring the self-sufficiency of forestry - involves a review of the system of budget financing of forestry and the system of taxation of forest users due to the transition to selective budget financing in forest-deficient regions, expansion of the tax base;

- elimination of "shadow" schemes for the export of forest products - involves a change in the system of contractual regulation of export contracts, customs clearance of export of forest products due to the conclusion of direct contracts with consumers, strengthening of customs control, introduction of electronic accounting of wood exports;

- elimination of illegal harvesting and processing of forest resources - focused on the improvement of criminal legislation, strengthening of state and public control in the field of harvesting and processing of forest resources due to the strengthening of criminal and administrative responsibility for relevant actions, implementation of the electronic accounting system for the movement of wood;

- formation of an effective system of state management of the forest sector - involves the separation of the functions of management of economic activity and control in forestry, decentralization of the management system due to the creation of new organizational forms of integration of subjects, consolidation of the functions of operational management and control over various authorities.

Therefore, the priorities outlined above will determine the direction of further transformations in the forest sector. In this context, the definition and meaningful interpretation of the basic principles, according to which the transformation of ecological and economic relations in the forest sector should take place, is of great importance:

- decentralization of the management system – giving regional forest sector management bodies, regional and local communities greater powers to manage the economic activities of entities and determining priorities for the development of the forest sector;

- equality of access to the market of forest raw materials and forest products - providing equal opportunities to all entities interested in purchasing forest raw materials and forest products, subject to the fulfillment of a minimum set of requirements, in particular, taking into account the interests of the rural population and small business entities;

- information openness - elimination of various formal and informal barriers for the free movement of information about the supply and demand for forest raw materials and forest products, the use of modern information technologies for accounting, monitoring, transmission, compilation and analysis of data on forest resource potential, its protection and use;

- compliance of forests and forest products with international (first of all, European) quality standards - creation of conditions for the transition to recognized international systems of standardization and certification of forests, harvested wood and forest products with the aim of further entering international sales markets, first of all, EU countries;

- financial self-sufficiency of forestry - provides for the formation of such a system of financial relations that will make it possible to fully compensate the costs of management at the expense of taxes (fees for special forest use) and other related non-profit revenues (fines, penalties, etc.) to the budgets of all levels in forested regions forestry in forest-scarce regions, as well as to implement important projects of national importance without additional expenditures of funds from these budgets;

- parity of relations between business entities in the fields of forestry and wood processing - elimination of existing discrimination of wood processing entities in the issue of freedom to purchase the necessary amount of wood raw materials at auctions, as well as elimination of excessive lobbying of the interests of forestry entities at the state level through the State Agency of forest resources of Ukraine;

- transparency of pricing and demonopolization of the market of forest and forest products - consists in the need to form new rules for the functioning of the forest market based on open electronic auctions, which will make it possible to exclude the possibility of collusion among its participants, monopolization of the market of individual products, formation of non-competitive prices;

- priorities for the development of domestic advanced wood processing - involves focusing special attention on stimulating the development of the links of advanced wood processing, which will allow to significantly expand technological chains in the domestic forest sector, ensuring the creation of additional jobs, increasing the income of owners and increasing the salary level of employees due to the creation of new added values;

- openness to attracting investments and implementing innovations - creating favorable conditions for the development of investment and innovative activities in all branches of the forest sector based on the simplification of the rules of organization and business conduct, in particular regarding the attraction of foreign investments and the transfer of modern innovative technologies;

- partnerships between the state and private business – provides for the simplification of the procedure of cooperation between state enterprises and institutions with private business entities, legislative consolidation of joint business opportunities both within a single business entity and as part of integrated structures on a partnership basis;

- promoting the development of local communities - transformational transformations should not prevent forests from continuing to fulfill an important social function of improving the well-being of the local population, as well as create conditions for expanding the tax base in order to supplement local budgets and increase opportunities for implementing forest protection measures of local importance;

- compliance with the basic provisions of the concept of sustainable development and the tasks of the transition to a "green" economy - taking into account the commitments made by Ukraine within the framework of compliance with the requirements of modern environmental protection concepts, important systemic transformations in the forest sector must take place in accordance with the classic provisions of the concept of sustainable development and provide for the implementation an intermediate task - the transition to a "green" economy, which is based on eco-friendly and energy-efficient processes of advanced wood processing;

- comprehensiveness of the use of all forest resources - involves ensuring the uniform development of activities related to the development of all resources and benefits of the forest, which will allow to obtain additional income, increase the rationality of forest use, increase the range of products and services, increase energy efficiency and eco-safety of forestry production.

According to the defined principles, it is possible to single out the main goals of the transformation of ecological and economic relations in the forest sector, which are presented in fig. 6.

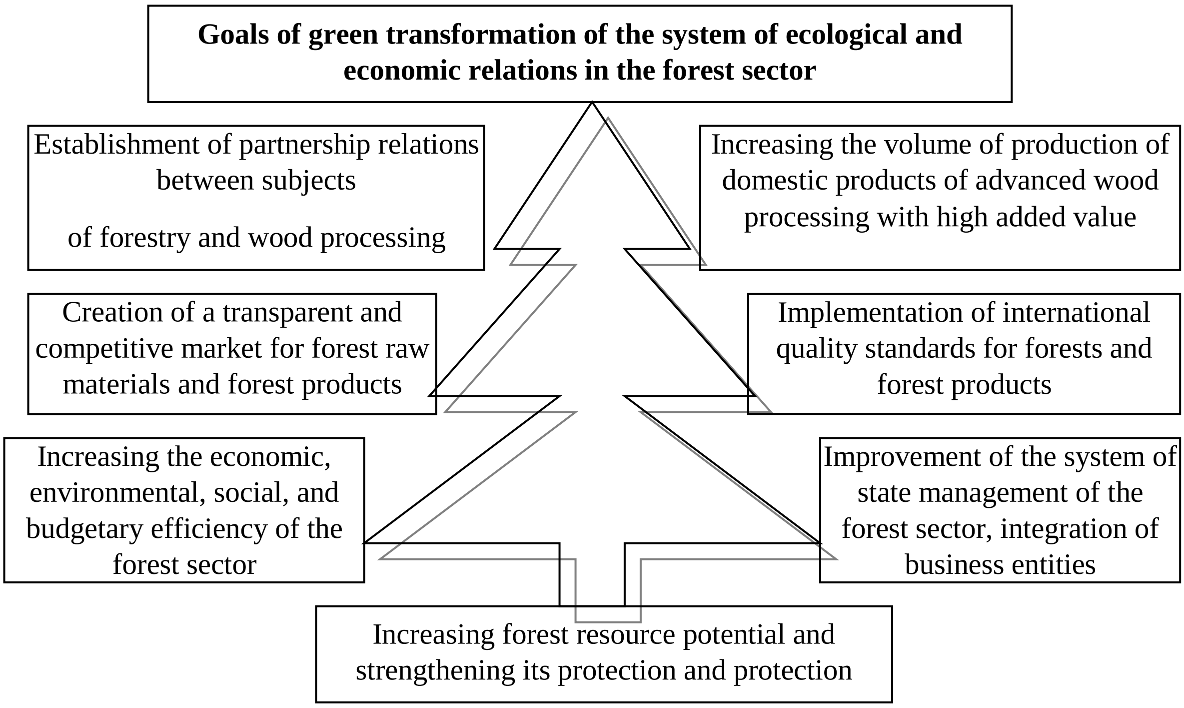

Fig. 6. Goals of the green transformation of the system of ecological and economic relations in the forest sector

Source: author's work.

In order to establish partnership relations between forestry and wood processing entities, the task of developing principles, forms and involving a wide range of market infrastructure entities for establishing cooperation between forestry and wood processing branches of the forest sector arises.

The creation of a transparent and competitive market for forest raw materials and forest products involves solving the task of creating proper institutional support for the innovative development of the forest sector, as well as substantiating the prospect of expanding the turnover of domestic products of advanced wood processing at the expense of attracting additional domestic and foreign investments.

Increasing the economic, ecological, social, and budgetary efficiency of the forest sector will be possible due to the development and implementation of a complex of measures to ensure the self-sufficiency of forestry, as well as a new scheme for the movement of financial flows in the forest sector on the basis of self-sufficiency.

In order to increase the volume of production of domestic advanced wood processing products with high added value, it is advisable to revise the structure of the organizational and economic mechanism for stimulating advanced wood processing.

The implementation of the goal of implementing international quality standards for forests and forest products involves significant organizational work on the harmonization of domestic standards with relevant international standards, taking into account the prospects of simplifying access to the European sales markets for forest raw materials and forest products.

The improvement of the system of state management of the forest sector and the integration of business entities as a target guide for the development of the forest sector involves the determination of the main stages of the transformation of the system of management of the economic links of the forest sector, the development of a new system of state and public management of forestry and hunting, substantiation of the advantages of creating a state woodworking holding company in the forest sector of the region, the development of forest clusters and technology parks as forms of implementation of innovative and investment projects of a regional scale, as well as promising forms of activation of forest entrepreneurship at the regional level.

Increasing the forest resource potential and strengthening its protection and protection involves determining the organizational and economic foundations of the transformation of ecological and economic relations in the forest sector based on the principles of sustainable ecologically balanced development.

Carrying out a large-scale transformation of the forest sector involves carrying out systemic reforms in all its economic links based on taking into account the best international experience in the process of developing and substantiating a set of measures for the implementation of an innovative scenario for the development of the forest sector, which includes:

- amending the Forest Code taking into account the accumulated experience and practice of application, the need to create conditions for economic stimulation of innovative development of enterprises in the forest sector;

- to speed up the formation and legislative consolidation of a modern system of environmental regulation based on the implementation of the best existing technologies, as well as to lay down economic incentives for the introduction of innovative technologies and increasing the energy efficiency of the forest sector;

- continue to improve the tax and customs tariff policy aimed at supporting the introduction of innovative technologies, creating preferences for forest infrastructure, optimizing customs tariffs for raw materials, products and equipment;

- to improve the system of training and retraining of qualified personnel, the mechanism of development of science and innovative processes in the forest sector.

In the field of forestry and forest management:

- to recognize the need to reorganize the state forest protection, which should be independent from the management bodies of permanent forest users and should continue to perform its forest protection functions in an operational, daily mode;

- for the purpose of prompt liquidation of the consequences of natural disasters in forests, to exclude solid sanitary fellings from the calculated forest cutting;

- to provide for a special procedure for the appointment of sanitary fellings, and in case of significant volumes of fellings, a review of the estimated felling for forestry and the volume of harvesting from remote forest areas;

- to create a favorable mode of financial support for the construction of forest roads;

- to resolve the issue of placing forest roads on the balance sheet as a single property complex;

- settle the issue of the need to carry out an environmental examination of forest plans and forestry regulations;

- to ensure the gradual and planned creation of distributed geoinformation databases throughout the country based on forest management materials and forest management works.

In the field of pulp and paper production:

- reducing labor and material costs and, above all, increasing environmental and energy efficiency due to the introduction of the latest technologies;

- optimization of the use of semi-finished products, expansion of the range of production of products from paper, cardboard and their products, import substitution;

- organization of production of new innovative products based on biorefining;

- modernization of existing enterprises based on the implementation of the best achieved technologies;

- transition to the system of environmental regulation and control operating in industrialized countries, which is based on the implementation of the best achieved technologies.

Proposals for increasing the attractiveness of a priority investment project of an innovative facility being built on a separate construction site by shortening its payback period:

- cancel the income tax for the payback period of the project;

- cancel VAT on all technological equipment and spare parts for it purchased abroad;

- ensure the participation of state and local budgets in investing in the construction of main forest roads and other infrastructure facilities;

- provide for subsidizing loan interest rates from the budget.

In the field of wooden house construction development:

- to recommend speeding up the development and introduction of social and affordable low-rise housing standards;

- to contact the Government with a proposal to develop and publish the concept of sustainable development of low-rise residential construction for the period up to 2020;

- establish clear standards for the construction of social housing (footage, etc.);

- to simplify procedures and introduce regulations for changing the boundaries of settlements, to stimulate the possibility of promising investments in construction infrastructure (roads, networks);

- to introduce forms of public-private partnership for the implementation of large projects in the field of low-rise construction.

In the field of bioenergy:

- to develop and adopt a targeted program to support the development of bioenergy; to develop and adopt legislative acts regulating the production and use of biofuel;

- to regulate the use of logging and agro-industrial solid waste for the purposes of bioenergy;

- develop criteria for evaluating the economic, social and environmental effects of the implementation of projects in the field of bioenergy;

- to create mechanisms for attracting private investments and budgetary financing of projects in the field of bioenergy;

- creation of a system of concessional lending to enterprises that recycle and use non-liquid wood and forestry and agricultural waste.

In the field of woodworking and slab production:

- instruct interested departments to consider the need to develop fire safety standards for furniture, which is used in public buildings and premises: hospitals, homes for the elderly, sanatoriums, kindergartens, schools, hotels, classrooms of educational institutions;

- provide funding for the scientific support of the implemented developments carried out in the country's universities, aimed at the implementation of innovative solutions to increase the competitiveness of the domestic forest industry;

- to stimulate the production of wooden boards from chopped wood based on the use of waste from the main woodworking industries (sawmills, plywood), small-scale and low-grade wood, softwood and hardwood, primarily aspen.

It will be possible to implement all the stated conditions in the event of the transformation of the traditional resource-consuming and aimed at enrichment and accumulation of capital economy of the forest sector into a new "green" economy, which should be aimed at increasing people's well-being and ensuring social justice, while reducing risks for the environment. The transition to a "green" economy will allow to increase both ecological and economic returns of the forest sector, ensuring the accelerated growth of the latter, that is, to move to the path of real implementation of the basic principles of the concept of sustainable development. After all, the "green" economy is aimed at accumulating not financial, but natural capital at the expense of "green" investments.

But, unfortunately, according to the results of the last, the largest in the history of such events, the UN Conference on Sustainable Development "Rio+20", which took place in Rio de Janeiro, the representatives of most countries of the world did not adopt a clear action plan for the transition to "green" of the economy, and the final document "The Future We Want" (UN, 2012) is mainly declarative in nature, since it, in essence, once again lists the main environmental, economic and social problems of our time and states the readiness of countries to solve them, but practically the mechanisms and tools for solving them at the local, regional, and global levels are not substantiated. It is no accident that the representatives of environmental protection organizations refused to sign this document because, in their opinion, due to the vagueness of most of the provisions, it mainly defends the interests of transnational corporations.

Currently, with the support of specialized foreign organizations, Ukraine is gradually implementing appropriate organizational, economic and regulatory measures for the transition of the forest sector to the principles of sustainable forest management. At the same time, the experience of the first stages of the market transformation of the forestry sector showed that without the full functioning of the appropriate market infrastructure and the reorganization of the management system in forestry, it is impossible to ensure the implementation of the strategic goals of the development of this industry. It is especially relevant to solve these problems at the regional level, where the provisions of the state's forest policy are directly implemented.

UNEP Report on the "Global Green New Deal" (UNEP, 2009), as well as the "Sustainable Development Agenda until 2030", which was adopted by the Resolution of the UN General Assembly on September 25, 2015 year (UN, 2015) and the "The European Green Deal" (The European Green Deal, 2019) provides for the implementation of a whole set of measures in various spheres of activity of this link of the national economy. First of all, it is necessary to choose the optimal version of the management system for this industry, which involves a clear definition of the authority of the central and regional management bodies, the principles of interaction between them, as well as with local authorities. Equally important is the coordination of the system of financial support of forestry with the use of alternative sources of financing (bank lending, private investments, insurance funds, international grants, leasing operations, etc.), and is directly related to the solution of the issue of taxation of forest use (the feasibility of collecting forest tax from felling care, principles of its distribution between budgets of different levels and justification of the size or replacement by annuity).

It is also necessary to finally resolve the issues regarding the organizational and legal forms of forestry activities and ownership of forests: the expediency of separating forest cultivation from logging and processing, determining the prospects for the development of private structures in forestry, the possibility of shareholding and the creation of holding companies based on the system of state forestry farms, the development and control of activities of small forms of management (private loggers), the expediency of transferring the forests of non-specialized agencies to the management of the State Agency of Forest Resources of Ukraine and, in general, the privatization of forest fund lands.

The system of organizing the market of forest resources needs further improvement in terms of the development of its infrastructure (creation of specialized forest exchanges, consulting, auditing companies, trading houses, intermediary structures), elimination of problematic points regarding the conduct of forest auctions, as well as regulation of the export of forest resources and maximum satisfaction of the needs of domestic consumers

Among the priorities for the development of the forestry sector, we can highlight: stimulation of integrated wood processing and resource conservation processes, development of industries from in-depth wood processing (restoration of the system of timber processing plants), stimulation of the involvement of non-raw materials qualities of forests in circulation (recreation, hunting, products of non-wood origin), introduction of elements of environmental management (forest certification, standardization, environmental audit, expertise, licensing).

We support the opinion (Danylyshyn et al. 2006), (Khvesyk et al. 2017), (Shubalyi, Kosinskyi, 2019) that effective solutions to environmental problems and the transition to sustainable development are possible only within the framework of the entire economy of the country, based on an integrated approach. Only by understanding the economic structures, the peculiarities of the functioning of complexes (sectors) and industries, it is possible to effectively solve environmental problems. This requires the formation of a new ecological and economic approach to economic development.

Therefore, the conducted studies showed that the formation of a system of sustainable management of the forest sector in the conditions of global climate changes should be based on the fundamental postulates of the concept of economic protection of nature. This concept includes a number of principles, the main of which are: the priority of mandatory instruments of environmental policy over market ones; strengthening the environmental focus of all economic policy instruments; increasing the number of effective market instruments of environmental policy; ensuring the transformation of external negative economic effects into internal ones. These principles should be the initial methodological prerequisite for the formation of a national forest policy aimed at developing mechanisms for transferring forestry to a model of sustainable development based on international environmental conventions. Unfortunately, in recent times, this process has been too slow due to the lack of a system of criteria and indicators that allow for a permanent assessment of the level of changes in this direction.

Domestic practice confirms that the system of forest management in Ukraine is marked by periodic transformational processes, which consist in reformatting the system of forest management in terms of the relevant divisions of the Cabinet of Ministers of Ukraine. The construction of a system of sustainable forest management in strategic priorities should be synchronized with the provisions of the Kyoto Protocol, which provide for the financing of afforestation measures in non-forested areas for the purpose of additional absorption and sequestration of carbon dioxide from the atmosphere. Such a strategic task can be successfully solved, as research results show, by forming an appropriate legislative framework that would clearly demarcate the powers of state authorities and individual forest users regarding participation in international conventions on issues of sustainable forestry development.

The development of conceptual approaches to the formation of a system of sustainable forest management should be based on a combination of sectoral and territorial principles of management. Taking into account the fact that the afforestation of the territory of Ukraine is one of the lowest in Europe and there is a significant time lag between the planting and maturity of the forests, the main element of the system of sustainable forest management should be a system of stimulating the integrated processing of wood, the maximum possible involvement in the economic turnover of non-raw materials of forests, and as well as the comprehensive introduction of elements of environmental management into economic practice.

Therefore, the well-founded basic provisions of state policy, principles and target orientations form the appropriate organizational and economic basis for conducting further detailed scientific research in the direction of the development of security mechanisms, the definition of a set of economic tools and the content of market institutions, as well as organizational forms of integration of subjects in transformation processes ecological and economic relations in the forest sector to accelerate the transition to the principles of the green economy.

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3.3. ORGANIZATIONAL AND ECONOMIC PRINCIPLES OF MANAGEMENT OF THE DEVELOPMENT OF ORGANIC PRODUCTION IN UKRAINE

Modern realities of the global economy and changes in climatic conditions reinforce the importance of organic production as a sustainable and environmentally sound alternative to traditional methods of agricultural production. Ukraine, with its vast natural resources and agricultural potential, has a unique opportunity to become a key player in the world market of organic products.

The growing interest in organic products creates favourable conditions for the further development of this area, but it also presents Ukraine with great challenges of effective management and balanced growth. In this context, the study of organizational and economic aspects of organic production becomes an important task for the government, business and scientific institutions.

The issues of the development of organic production are reflected in the scientific works of N. Andrusenko, T. Gaidai, M. Gilka, P. Skrypchuk, H. Khristenko, V. Krupin, O. Nesterchuk, N. Pavlikha, O. Shulga, D. Zakharova and others. A detailed analysis of the results of the latest publications confirms their great significance and at the same time proves the expediency of substantiating the organizational and economic principles of managing the development of organic production in Ukraine for increasing the income of the rural population, reducing the level of unemployment in rural areas, developing social infrastructure in the countryside, increasing the volume of gross products, achieving food security, increasing labour productivity, maintaining the ecological balance in rural areas, rational use, protection, and reproduction of natural resources.

The purpose of the study is to reveal the organizational and economic principles of management of the development of organic production in Ukraine, which will contribute to ensuring the competitiveness of the economic activity of organic producers, improving the quality of life of the population; achieving environmental safety. To achieve the set goal, the following tasks are solved: to reveal the essence of the concept of "organic production", to carry out an analysis of the volume of production of organic products in Ukraine; justify the expediency of state financial support for organic production.

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Research materials and methods. The methodological basis of the study of the organizational and economic principles of management of the development of organic production is the fundamental provisions of economic theory and the scientific works of Ukrainian and foreign specialists in the field of organic production. In the process of research, the methods generally accepted in economic science were used: monographic (when theoretically substantiating the concepts of organic production), economic-statistical (when researching the area of agricultural land and the volume of production of organic products), scientific generalization (when justifying measures for the formation of state financial support for organic production, taking into account world experience).

The data of the State Statistics Service of Ukraine, publications on organic agricultural production, electronic resources presented on the Internet, and the results of the authors' own research served as the information base of the study.

Results and their discussion. One of the ways to achieve sustainable development in rural areas is to support and develop organic production. According to the Law of Ukraine "On Basic Principles and Requirements for Organic Production, Circulation and Labeling of Organic Products", organic production is a certified activity related to the production of agricultural products (including all stages of the technological process, namely primary production (including harvesting), preparation, processing, mixing and related procedures, filling, packaging, processing, recovery and other changes in the state of products), which is carried out in compliance with the requirements of legislation in the field of organic production, circulation and labeling of organic products (Verkhovna Rada of Ukraine, 2018).

M. Gilka, revealing the promising directions of agricultural development, emphasizes the development of ecologically safe organic production of agricultural products. According to the scientist, this "makes it possible to create new jobs in rural areas, since organic farming requires more manual labour than traditional chemical farming" (Gilka, 2015).

An increase in global demand for food products, including organic ones, has been revealed. Therefore, the development of organic agriculture is important because it provides an opportunity to produce and grow ecologically safe food products (Khomiuk & Skrypchuk, 2018).

Scientists emphasize the fact that "the growing possibilities of scientific and technical progress, aimed at solving the problem of the quantity of products, led to a sharp aggravation of the problem of quality, and more precisely – food safety. The use of mineral fertilizers, chemical means of protecting plants and animals, and other chemicals also led to negative changes in the chains of ecosystems and the biological cycle, the critical state of the environment, the growing deterioration of human health, and gene mutations of living organisms" (Zinovchuk et al., 2011, p. 5).

Organic agriculture is developing rapidly all over the world. According to statistics obtained as a result of research by FiBL and IFOAM, at the end of 2016, 2.7 million producers in 178 countries of the world were engaged in organic agriculture. The total area of organic land in the world was 57.8 million hectares. The countries with the largest areas of organic agricultural land are Australia (27.4 million hectares), Argentina (3 million hectares) and China (2.3 million hectares). The regions with the largest areas of organic agricultural land are Oceania (27.3 million ha) and Europe (13.5 million ha), followed by Latin America (7.1 million ha), Asia (4.9 million ha), North America (3.1 million ha) and Africa (1.8 million ha) (The World of Organic Agriculture, 2018).

Currently, 4.2% of agricultural land in the European Union is used for the production of ecological products. The largest areas allocated to organic production are in Austria, where they make up 13.4% of the total area, and the smallest are in Ireland (0.95%), Romania (0.77%) and Malta (0.2%). In Poland, the development of the production of ecological agricultural products has still not reached the European pace, and the share of land involved in its production is 1.94%. In Ukraine, 19% of agricultural land is suitable for the development of organic farming (Krupin, 2018). However, very few farms in Ukraine take the risk of developing ecological production. The reason for this, according to O. Shulga, is the low level of real income in the country. Food costs take up a significant share of household expenses, so for most citizens, switching to organic products at higher prices for their purchase on the national market is virtually impossible (Shulga, 2014).

H. Khristenko draws attention to the fact that Ukraine has all the prerequisites for the development of organic agricultural production: powerful natural potential; favourable climatic conditions; high soil fertility; availability of large areas of ecologically clean agricultural land; low level of use of mineral fertilizers; plant protection products; provision of labor resources in the agrarian sector of the economy; the presence of a market of potential consumers; export attractiveness of organic products for EU countries (Khristenko, 2018).

Scientists believe that the rapid and steady growth of international trade in organic products, the demand of the local population for healthy and safe food products, and the price premium for organic production provide a good opportunity for Ukraine to improve the economic condition of the population in rural areas through the development of the organic sector in the country (Urban et al., 2013, 4).

In terms of the area of agricultural land and arable land, Ukraine ranks first in Europe. The agricultural sector occupies one of the leading places in the national economy of Ukraine. According to the operational monitoring conducted by the Ministry of Agrarian Policy through a survey of foreign certification bodies that certified organic production and circulation of organic products in Ukraine by a standard equivalent to Council Regulation (EC) No. 834/2007 and NOP (USA), as of 12.31.2021 the total the area of agricultural land occupied under organic production and in the transition period amounted to 422,299 hectares (1% of the total area of agricultural land of Ukraine), including the area of agricultural land with organic status – 370,110 ha, the area of agricultural land in the transition period – 52,189 ha. The total number of operators was 528, including 418 agricultural producers (Ministry of Agrarian Policy and Food of Ukraine., 2022).

In recent years, the domestic consumer market has seen an expansion of the range of organic products through major supermarket chains. The main types of organic products consumed are milk and dairy products, vegetables, fruits and mushrooms, cereals and grain products, flour, seeds, juices, drinks, pasta, canned foods, eggs, meat products, oil, spices and spices, sugar and other products, which include bakery products, dumplings, dumplings, honey, chocolate, and tea. In 2021, 9,780 tons of self-produced organic products worth about UAH 900 million were sold in Ukraine (Ministry of Agrarian Policy and Food of Ukraine., 2022).

The export of organic products from Ukraine is mainly aimed at European countries, to whose market 82% of Ukrainian organic exports were directed in 2021. According to the report of the European Commission, in 2021, Ukraine took 5th place out of 126 countries in terms of the volume of imported organic products to the EU. Thus, in 2021, 2.87 million tons of organic agricultural products were imported to the EU, of which 190 thousand tons (6.6%) came from Ukraine. According to the results of a scientific study of the organic market, in 2021 Ukraine exported organic products to the EU for about 160 million dollars. In general, according to the results of 2021, Ukraine exported 260,000 tons of organic products worth about 220 million dollars to more than 30 countries of the world. The Netherlands, USA, Lithuania, Germany, Austria, Poland, Switzerland, Great Britain, Italy, and Denmark became the largest importers of Ukrainian organic products in the specified period. Ukrainian organic producers also exported to some Asian countries, in particular to China, Japan, and Malaysia, as well as to the United Arab Emirates. The main export organic products from Ukraine, which were supplied to international markets, were grain, oilseeds, and berries. Sunflower cake, sunflower oil, sunflower meal, apple concentrate, millet, vegetables, and fruits are also exported. In total, more than 80 names of organic goods were exported from Ukraine in 2021 (Ministry of Agrarian Policy and Food of Ukraine, 2022).

Before the war, the number of organic operators, farmers, and enterprises using organic farming methods was constantly growing in Ukraine. In 2021, there were 528 of them. Today, despite the ongoing Russian aggression in Ukraine, 78% of organic operators continue to conduct their business with the support of the government and international partners. (Organic knowledge platform, 2023).

According to the results of the monitoring conducted by the organic production certification body of Organic Standard LLC for the year 2022 (as of 31.12.2022), the total number of operators certified in Ukraine according to the standard equivalent to Council Regulation (EC) 834/2007 (certain operators also certified according to other standards of organic production, in particular NOP, COR, Bio Suisse, Naturland, KRAV), is 412 operators (Organic knowledge platform, 2023)

As we can see, organic production is developing dynamically, therefore, based on world experience, a scientific and methodological justification of state financial support for organic production has been carried out. We believe that the development of organic production is one of the priority types of agricultural activity in today's conditions. Because of this, it allows not only to earn profits but also to produce ecologically safe food products and reduce the negative anthropogenic impact on the environment.

We believe that the development of organic production will contribute to the sustainable development of rural areas and ensure the growth of product exports, the expansion of employment, and, accordingly, the incomes of the rural population.

Among the main tools for achieving sustainable development of rural areas in the ecological sphere, it is expedient to include ecological audit, ecological monitoring, ecological certification, ecological standardization, and ecological passporting of rural areas, which contribute to the development of biotechnology, the spread of organic production, and the reduction of the destructive impact on the environment.

The effective implementation of measures to diversify agricultural production as one of the forms of diversification of the development of rural areas in conditions of decentralization depends on state support for traditional and organic agricultural production. Ukraine has all the prerequisites for the development and spread of organic agricultural production: the presence of areas of ecologically clean agricultural land with high fertility, favorable climatic conditions, the application of mineral fertilizers is insignificant, etc. Today, 38,173 hectares of agricultural land with organic status and transition period in Ukraine are covered, that is, the share of organic land from the total area of agricultural land is about 0.9%.

The state supports the agricultural sector but at an insufficient level. State support for agricultural production is limited to grants, subsidies, and soft loans.

However, there is no comprehensive approach to state support for organic agricultural producers. At the same time, the problem of state support for the organic sector should be considered as an integral part of the development of the agricultural sector. We agree with the opinions of I. Vakhovich and I. Kaminska, "that global problems of a national nature are solved at the state level, and regional financial policy should be aimed at raising the level and quality of life of the population by ensuring their financial capacity" (Vakhovich & Kaminska , 2009, p. 233). Please note that the lack of financial resources and the absence of regulated legislation block the development of organic land use to the full extent. This determines the need for scientific and methodical substantiation of state support for organic production. It is appropriate to pay attention to the fact that organic land is part of agricultural land, therefore similar tax payments are paid for their use and ownership.

As world experience shows, out of more than 170 countries in which organic agriculture is practiced, only in a smaller part of them is this industry regulated at the state level. For example, in 80 countries the organic sector is regulated by the state, in another 15 there are national standards, and in the rest – no regulation at all (World of Organic Agriculture, 2016).

Among the main factors of the growth of the organic sector, state regulation is noted, although the growth of organic agriculture is also the result of market policy. As noted by IFOAM, there are countries in which the influence of public policies and programs on the growth of the organic sector is a decisive factor in accelerating this growth, for example, Tunisia, Austria, the Czech Republic, the state of Sikkim in India (IFOAM, 2018a).

The IFOAM (Organics International Action Group) developed, based on research on public policies and programs for organic production, the "Global Policy Toolkit on Public Support to Organic Agriculture" (IFOAM, 2018b), in which it proposed 25 public support measures support for organic agriculture, which can be aimed at improving the supply and demand for organic products. However, not all measures can be implemented due to limited state resources. The choice of certain measures depends on the stage of development of organic production in a particular country.

In fig. 1 summarizes measures of state support for the development of organic production, which are grouped into 10 areas proposed by domestic scientists.

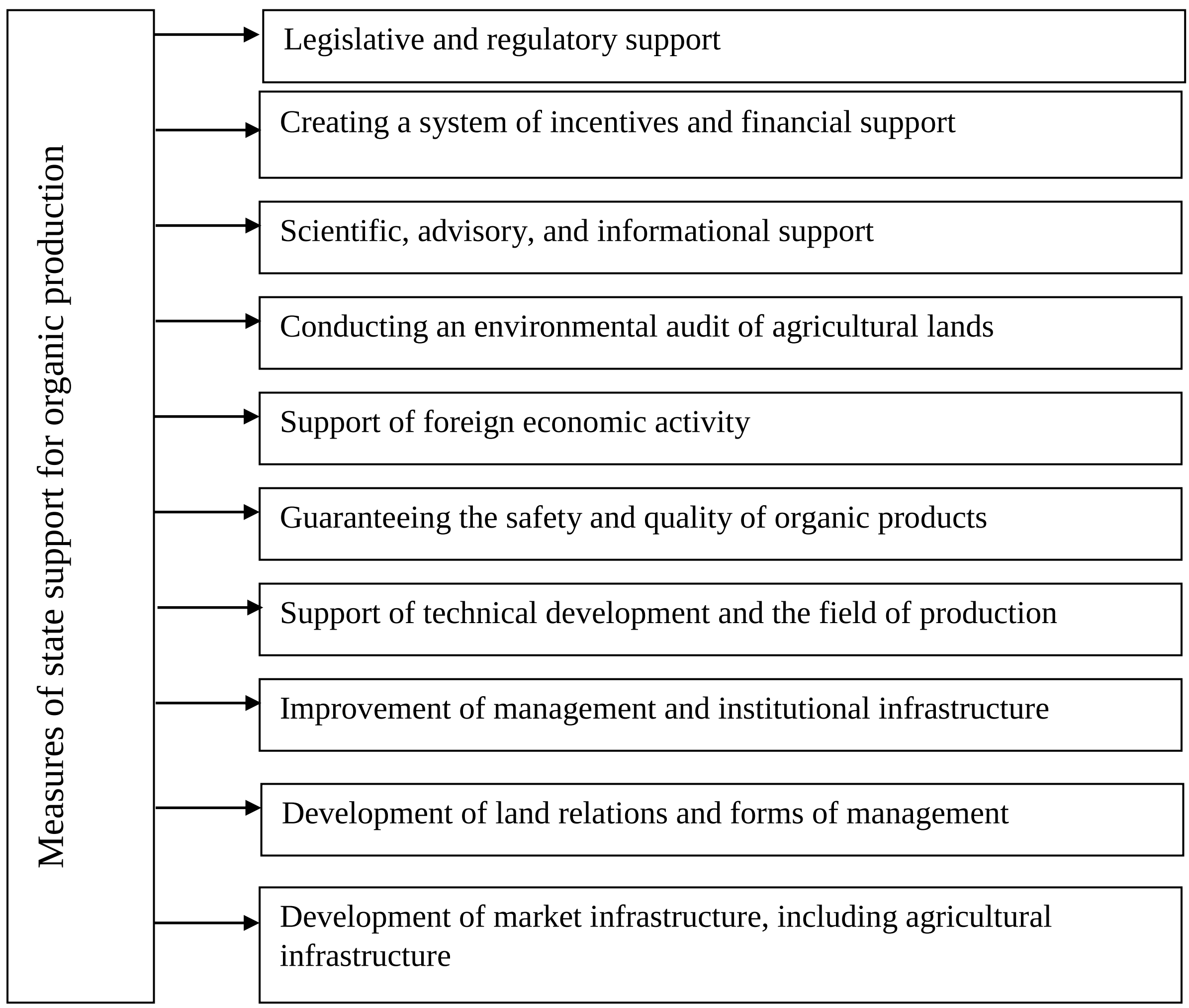

Fig. 1. Measures of state support for the development of organic production

Source: created by the author based on (Andrusenko, 2014, p. 182–183; Khomiuk, 2019, p. 130).

All forms of state support for organic production can be conditionally divided into two groups - financial and non-financial (Khomiuk, 2019)

According to N. Andrusenko, non-financial forms of state support include state measures that ensure the "rules of the game" of the organic sector of the economy, shape its institutional environment, ensure effective management, and create appropriate infrastructure (Andrusenko , 2014, p. 182–183). In our opinion, the legislative and institutional system, which serves as a means of influencing the real state of organic production (for example, laws, regulatory acts, agreements, etc.) should also be included among the non-financial forms of state support.

The legislative institutional system includes a set of formal and informal institutions. Formal institutions are relatively stable and long-lasting general social and economic norms, which are "defined in laws and various written prescriptions that are mandatory for implementation, therefore they are characterized by "publicity and transparency" (Popov & Prutska, 2003, p.15). Failure to comply with these rules leads to punishment and fines.

The lack of clear, transparent rules and procedures for organic operators and functioning institutions prevents the organic sector from fully operating in Ukraine.

Informal institutions, according to T. Gaidai, function through moral and ethical values, beliefs, taboos, and established habits, reflecting the general civilization and cultural level of society as a whole (Gaidai, 2004).

In an ideal dimension, formal institutions are created based on existing informal ones, and informal ones, for their part, as Yu. Nesterchuk believes, acts as a means of implementing and replacing formal ones. The formal institutions of the agricultural sector can include the institution of property; institution of state regulation; regulatory and legal support; institutions of agrarian entrepreneurship; agricultural market institutions; institution of contracts (agreements); institutions of economic and social infrastructure in the countryside. Informal institutions include peasant traditions, customs, moral attitudes, stereotypes, psychological features of peasant behavior, etc. (Nesterchuk, 2014, p. 30-31). In our opinion, it is necessary to distinguish two basic components of the legislative and institutional system of support for the development of organic production:

– the process of formation and acceptance of new rules by society;

- creation of institutions and institutions that function and would be responsible for compliance with these rules.

D. Zakharova developed conceptual approaches to the system of information support for agricultural enterprises by creating seven regional information and advisory centres, which make it possible to increase the effectiveness of information processes at the enterprise by providing producers of organic products with consulting services, in particular services for calculating investments when transitioning from traditional to organic production, as well as the provision of consulting services regarding the optimization of the industry structure of production (Zakharova, 2015, p. 164-165).

Taking into account the experience of countries around the world, we have developed measures for state financial support of organic production, which is shown in Fig. 2.

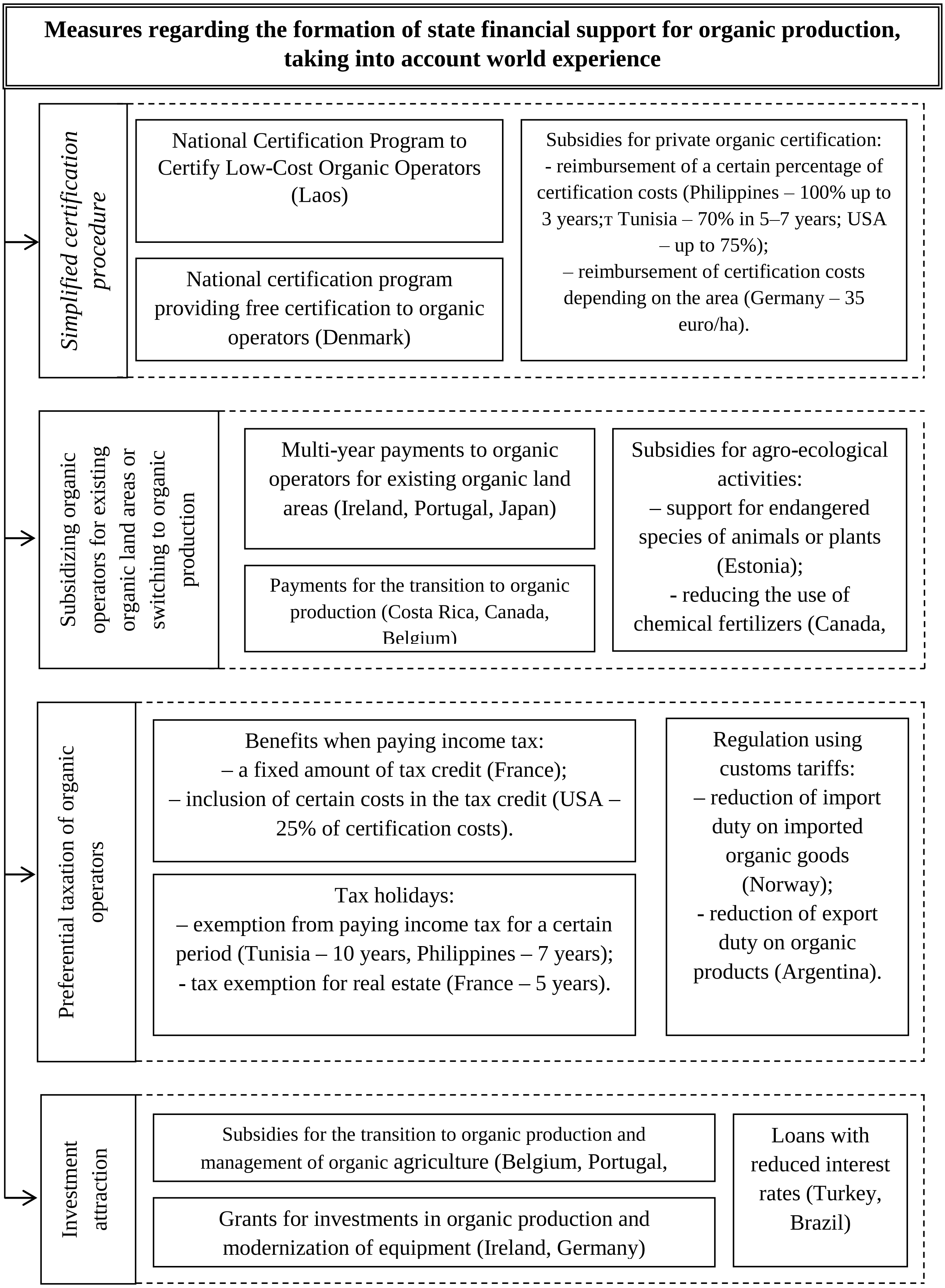

Fig. 2. Measures regarding the formation of state financial support for organic production, taking into account world experience

Source: developed by the author.

The simplified certification procedure includes such tools as:

– a national certification program that provides certification to organic operators at reduced costs;

- a national certification program that provides free certification to organic operators;

- subsidies for private organic certification: reimbursement of a certain percentage of certification costs or certification costs depending on the area.

In the US, the government funds third-party certification agreements (48 certification bodies within the US and 32 outside the US) and provides subsidies to producers (up to $750 per year to cover certification costs, organic crop insurance, and conservation grants).

In contrast to the US, New Zealand has a small but dynamic organic sector with little government support. This country exports organic products to more than 98 countries, but its Official Organic Assurance Program covers only five markets. In addition, in November 2016, China and New Zealand signed an agreement on the mutual recognition of organic food with official certificates that will facilitate the development and trade of organic food. According to the agreement, all organic products must be marked with Chinese certificates and labels (Australian Government, 2019).

The government of the Philippines reimburses 100% of the cost of organic certification for a period of up to three years, in Tunisia - only 70% of the cost of certification for 5-7 years. In Denmark, the state certification system ensures free certification of all organic operators (IFOAM, 2018c).

Subsidies of organic operators for existing organic land areas or the transition to organic production include:

– multi-year payments to organic operators for existing organic land areas;

– payments for switching to organic production;

- subsidies for carrying out agroecological measures: to support endangered species of animals or plants and to reduce the use of chemical fertilizers.

In most countries of the European Union, organic agriculture is supported by agro-ecological measures that compensate farmers for losses (or unrealized benefits) related to production, created by more careful agriculture, which pays more attention to the protection of the environment and the welfare of farm animals (Urban et al., 2013, p. 14).

In Costa Rica, since 2007, the government has created an organic conversion fee scheme that supports small and medium-sized organic farmers for three years. The amount is determined depending on the agricultural crop.

The province of Quebec (Canada) has a subsidy program to support the transition to organic farming. This is a one-time payment with a maximum amount of €13,000 per farm, which depends on the type of activity and ranges from $16 per hectare for pasture to €1,600 per hectare for fruit and vegetable production.

The Japanese government has been providing direct payments to organic farmers since 2011: the payment for organic cultivated land is around €600/ha, and since 2014 this support has been combined with another form of support (e.g. compost application - €600/ha) (European Council of the European Union, 2018).

Organic agriculture is supported partly by a price premium for organic products on the market and partly by public support (both the federal government and the cantons): direct payments per hectare, which in turn are divided into total direct payments and environmental contributions. A condition for general direct payments is the confirmation of the so-called "compliance with ecological conditions" (Ökologischer Leistungsnachweis, ÖLN) for all farms (similar to the "cross compliance" requirements at the farm level in force in the European Union). In addition to these general direct payments, Swiss farmers can apply for environmental payments, which include covering the costs of environmental compensation, extensive grain and rapeseed production, and organic farming. This system is voluntary and similar to agri-environmental programs in the EU. According to the requirements of the Regulation on organic agriculture, in Switzerland, only farms that have completely switched to organic production, in which traditional production is not conducted in parallel with organic production, receive support (Urban et al., 2013, p. 229).

Preferential taxation of organic operators should be considered as:

- provision of benefits when paying income tax (fixed amount of tax credit or inclusion of certain expenses in the tax credit);

- exemption from payment of real estate tax or its partial payment;

- provision of tax holidays (exemption from income tax or real estate tax);

- regulation using customs tariffs (reduction of import duty on imported organic goods or reduction of export duty on organic goods).

It should be noted that one of the advantages of providing tax benefits is that the state does not spend real money to support organic operators. After all, it is sometimes easier for the government to approve the provision of tax benefits for organic operators than to fix expenses for the development of organic agriculture in the budget. However the state, due to this approach to providing state support, does not receive part of the tax revenues in the budget.

In France, an organic tax is levied on companies whose turnover exceeds 760,000 euro. The tax rate is 0.16% of the annual turnover. When determining the tax income, the organic tax is subject to a deduction in the year in which it was paid (PKF, 2018).

Real estate taxation in France is regulated by two taxes - a tax on developed land plots and a tax on undeveloped land plots (property tax on undeveloped land, taxe foncière sur les propriétés non bâties) (Pavlikha & Khomiuk , 2017, p. 178). Tax on built-up land plots is imposed on all land plots on which houses, real estate of industrial importance, and agricultural structures are located. The value of the plot (for the tax base) is estimated from the point of view of the production purpose (arable land, gardens, bushes, vineyards) and by types of crops (oil, grain). Land cadastral assessment is annually indexed. Tax rates are determined by local self-government bodies depending on the quality of the land. The French Tax Code provides for a rate that cannot be exceeded (Legifrance, 2019). In addition, taxpayers are granted the right to permanent (state property) or temporary exemption from paying property tax on undeveloped land (incentives for organic farming, reforestation, and protection of nature reserves) (Direction générale des finances publiques, 2016). This is a special benefit for organic operators.

In Italy, a tax is paid on phytosanitary products (Prodotti fitosanitari – pesticides and herbicides used for plant protection). The tax rate is 2% of the value of the goods. Revenues from this tax payment amount to an average of 3 million euros per year. This money is distributed annually to projects supporting organic agriculture. This tax was the first step in the strategy to support organic agriculture (IEEP, 2020).

Support for the primary organic sector in the Netherlands is minimal. The only possible subsidy is available for farmers is targeted aid for partial reimbursement of certification and inspection costs (up to 650 EUR per year per farm). However, organic farmers have access to special tax and financing benefits supported by the government, including "green" loans with a lower lending rate and other measures, such as the ability to exclude investments from the amount of taxable income (Urban et al., 2013, p. 44).

In 2016, the Argentine government approved the complete elimination of export duties on organic plant-based products to promote organic exports. In Norway, some organic products, such as processed vegetables, juices, and baby food, have a reduced import duty compared to the same conventional products (IFOAM, 2018d).

Attracting investments is manifested in the provision of:

- subsidies for the transition to organic production and organic farming;

– loans with reduced interest rates;

- grants for investments in organic production and modernization of equipment.

After the EU introduced its first Agroecological Program (Regulation 2078/92), France became the very first EU member state to introduce a support scheme for organic agriculture in 1993. Due to the regional structure of agricultural policy in France, different measures are implemented in different regions and types of support. Earlier in France, priority was given to supporting the transition to organic production. Thus, organic farmers received subsidies only during the transition period (maximum of five years). However, during the program period, some French regions (eg Brittany, Île-de-France, and Picardy) took advantage of the new possibility of support payments paid to newly established organic farms. In addition to subsidies, farmers can also apply for a tax credit, but it cannot be received at the same time as organic farming support payments. Also, in some regions of France, subsidies can be obtained to compensate for the costs of certification and inspection, and again its amount depends on the region (Urban et al., 2013, p. 52).

In Turkey, organic farmers can get loans with a 50% interest rate reduction. In Ireland, there is a grant scheme for the development of the organic sector, the maximum amount of which is €60,000 per operator (IFOAM., 2019).

Tunisia is a leader among African countries in the development of organic agriculture. The Tunisian government has played a very active role in supporting the growth of the organic sector over the past 20 years. Organic farming began in Tunisia in the mid-1980s in response to demand for organic products from Europe. However, until 1997, the organic sector was underdeveloped and the government did not know about the potential of this industry. However, a commission was later created to study the potential of organic agriculture in Tunisia. This led to the formulation of a draft organic law that went through months of stakeholder consultation involving both non-governmental stakeholders and several government agencies. The Organic Agriculture Law was passed in 1999. The law and a series of additional decrees led to the institutionalization of organic agriculture, as well as significant public investment in organic research. Government efforts to support organic agriculture in Tunisia have paid off. Private investors responded to the policy measures by massively investing in the organic sector. In the period from 2005 to 2010, about 5.3 million euros per year were invested in the industry. In 2012, investments in the organic sector reached 7.59 million euro, which is more than 52% of the total investment in Tunisian agriculture during this period (IFOAM, 2018a).

However, any country cannot implement all these measures at the same time, so it is necessary to make the right choice in the combination of them. First of all, it is advisable to carry out an in-depth analysis of the development of the organic sector and agrarian policy in the state and determine the goals of the transformation of this industry (Khomiuk, 2019b).

Therefore, Ukraine, where state support for organic operators is in the early stages, can learn a lot from the experience of other countries in the world regarding the possibilities and tools of financial support for the organic sector and develop a mechanism for cooperation between state and local authorities, private, public and other organizations.

It should be noted that, despite the rich global experience in the field of state financial support for organic production, this process in Ukraine is characterized by fragmentation. Let's draw attention to the fact that Ukraine lacks a fundamental theoretical, methodical, and practical basis for preferential taxation of organic operators.

Conclusions. It is substantiated that Ukraine has all the prerequisites for the spread of organic land use as a direction of sustainable development of rural areas, which makes it possible not only to earn profits, but also to produce ecologically safe food products and reduce the destructive anthropogenic impact on the environment. The results of the analysis of the development of organic production in Ukraine indicate that state support for traditional and organic agricultural production needs improvement. It is emphasized that the lack of clear and transparent rules and procedures for certification and institutions for regulating the market of organic products does not allow the organic sector to fully operate in Ukraine.

Based on the generalization of scientific provisions on the formation of state financial support for organic operators and organic production, such measures as a simplified certification procedure are singled out; subsidizing organic operators for available organic land areas or transition to organic production; preferential taxation of organic operators; attraction of investments, etc. We believe that one of the ways to realize the diversification of agricultural production is the support and development of organic production, which will contribute to improving the quality of life of the rural population, ensuring the competitiveness of rural areas and achieving environmental safety.

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3.4. MODEL OF IMPLEMENTATION OF THE STRATEGY OF PRODUCTION FLEXIBILITY OF FORESTRY ENTERPRISES AND RISKS OF ITS IMPLEMENTATION

In recent decades, significant negative changes in the natural environment have become increasingly relevant as a result of significant negative changes in the environment. The issue of the green economy is of particular importance, as it is the economic sphere of human activity that causes large-scale damage to the environment with negative consequences due to the improper and irrational use of natural resources. The scale of production has expanded, and the number of industrial facilities that do not meet environmental safety standards has increased. In view of this situation, many countries are introducing new environmentally friendly production technologies, improving systems of efficient use of resources, and developing the so-called "green" economy (Sych, K., Buhaichuk, V., Hrabchuk, I., 2021, Skorokhod, I.S., Horbach, L.M., 2019, Halushkina, T.P., Musina, L.A., Potapenko, V.H., 2017).

In the context of resource and environmental constraints, slowing economic growth and increasing demands for social justice, the role of governments and international organizations in regulating the economy and, in particular, natural resource management systems is growing. The scarcity of natural resources and the growing environmental crisis are increasingly recognized by experts and managers as not just a problem, but a global threat. After all, global climate change and resource depletion are becoming destabilizing factors for society. Not only is the amount of available natural resources decreasing, but their quality is constantly deteriorating and the amount of waste is increasing.

The prospects for economic development of the forestry sector necessitate the search for vectors to improve the efficiency of forestry enterprises' production activities. Regardless of changes in the market environment, the development of social relations and consumer preferences, there is always a desire to improve the economic efficiency of their activities. However, the real market environment of forestry development does not always contribute to the optimal use of forest resources, growth of enterprise potential, effective management and strengthening of forestry enterprises' positions in the market.

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At this stage, the issue of studying the "green" economy in Ukraine is of interest to many domestic researchers, as evidenced by the significant number of works devoted to this issue. In particular, this problem is being addressed by such scholars as B. Burkinsky, T. Galushkina, D. Harlytska, V. Kravtsiv, O. Marchenko, V. Potapenko, and others. However, the issues and prospects for implementing the model of strategic development and flexibility of production activities remain insufficiently studied and controversial.

The desire of forestry enterprises to increase the economic effect of their activities always exists, regardless of the volatility of the market environment, the development of social relations, consumer preferences, etc. However, the real market conditions of forestry development do not always contribute to the optimal use of forest resources, growth of the enterprises' potential, their effective operation and strengthening of the forestry enterprises' positions in the market.

The effective operation of forestry enterprises in the market, in its changing conditions, and the optimal use of forest resources can be modeled by a production dynamic linear optimal planning problem. As a criterion indicator that will most fully and objectively reflect the maximum economic effect of the activity, the flexibility of production activities of forestry enterprises to market conditions, we will choose the profitability of sales (Bezmenko, L. K., Lynnyk, I. O., 2010).

The formal formulation of the proposed dynamic problem of efficient operation of forestry enterprises, in terms of their production flexibility with the aim of optimal development of forest resources, is as follows. It is necessary to find the vector $X = \{x_i\}$ – the structure of distribution of production activities of forestry enterprises, which contributes to the achievement of the maximum economic effect of the enterprise - obtaining maximum profit. That is, each forestry enterprise, using its production capacity to the maximum extent possible, should direct its production activities to the optimal development of forest resources in the amount that will meet the existing needs of the consumer market.

It formalizes the optimality criterion by which the best plan is chosen among the admissible plans, the objective function (1), namely (Mokhniuk, A., Volynets I., 2017):

$$Z = D_t - V_t \to \max\,, \tag{1}$$

where D_t – is volume of revenue for forest enterprise production activity during the period t;

V_t – is volume of production costs from forest enterprise production activity during the period *t*.

An important element of dynamic model of forest enterprises market development is the system of restrictions, which due to which it is reasonable to set up the optimization problem at any moment of time depending on market situation, size of forest resources and existence of diversified possibilities of their use.

Let the forest enterprise develop *N* types of products of forest resources during the planning period *t* $\left(t = \overline{1,T}\right)$ and x_{it} – be volume of products of *i*-th type planned for laying in, manufacturing and sale during the period *t*. Every enterprise should form such plan of production activity of forest resources development from an available set of various types of forest enterprise products in order to get the maximum revenue on its sale. Then the revenue volume from the forest enterprise production activity on the market can be represented as follows (Mokhniuk, A., Volynets I., 2017):

$$D_t = \sum_{i=1}^{N} \overline{Ц_{ti}} \times x_{it}, \tag{2}$$

where $\overline{Ц_{ti}}$ – is average predicted sale price of the forest enterprise product of *i*-th type during the period *t*;

t – is planning period;

i – is type of product planned for laying in, manufacturing and sale during the period *t*;

N – is number of types of products;

x_{it} – is volume of product of *i*-th type planned for laying in, manufacturing and sale during the period *t*.

The average predicted selling price of the forestry enterprise of the *i*-th type in period *t* on the market is a function of the dependence of the optimal price on the base price and the volume of available products:

$$\overline{Ц_{ti}} = f(Ц_{ti}^{Б}, x_{it}), \tag{3}$$

where $Ц_{ti}^{Б}$ – is the forecasted base price of the *i*-th type of products of the forestry enterprise in the period *t*.

To calculate the base price of the *i*-th type of forestry product in period *t*, we determine the ratio between the maximum marginal price of the *i*-th type of forestry product for the consumer $(\max_i Ц_{ti}(C))$ and the minimum marginal price of the *i*-th type of forestry product for the producer $(\min_i Ц_{ti}(B))$ in period *t*:

$$Ц_{ti}^{Б} = \min_i Ц_{ti}(B) + \beta_i \cdot (\max_i Ц_{ti}(B)) - \min_i Ц_{ti}(C)), \tag{4}$$

where β_i – is the coefficient of regulation of the maximum marginal price of the *i*-th type of product of the forestry enterprise in the time period *t*.

The minimum marginal price of the *i*-th type of forestry enterprise's product for the producer is the same as the unit cost of the *i*-th type of producer's product in the planning period *t*. The maximum marginal price of the *i*-th type of forestry enterprise product for the consumer includes the cost and absolute utility of using the forestry enterprise product by the consumer:

$$\max_i Ц_{ti}(C) = \min_i Ц_{ti}(B) + \varepsilon_{ti}(C), \text{ where} \tag{5}$$

$$\varepsilon_{ti}(C) = C_{ti}(C) - З_{ti}(C), \tag{6}$$

where $\varepsilon_{ti}(C)$ – is the indicator of absolute utility from the use of products of the *i*-th type of forestry enterprise by the consumer (*C*) in the period *t*;

$C_{ti}(C)$ – is the cost of operations of the *j*-th type of material resources used for the production of finished products of the *i*-th type of forestry enterprise in period *t*;

$З_{ti}(C)$ – is the cost of consumer (*C*) for the purchase of the *i*-th type of forestry enterprise product in period *t*.

The coefficient of regulation of the maximum marginal price characterizes the distribution of profit from the operation of the *i*-th type of forestry enterprise's product in period *t* at the consumer (*C*) between him and the producer of the *i*-th type of forestry product in period *t*. In the proposed model, this coefficient is taken as $\beta_i = 0{,}6$.

The objective function of the dynamic model of production flexibility of a forestry enterprise, which contributes to the achievement of the maximum economic effect of the enterprise's activity – maximizing profit, will be as follows:

$$L = (1+\alpha_c)\sum_{t=1}^{T}(\sum_{l=1}^{L} b_l \cdot c_{tl} + \sum_{k=1}^{K}\gamma_{tk} \cdot \alpha_{kt}) \tag{7}$$

where α_C – is the overhead rate;

b_l – is the units of basic equipment,

c_{tl} – is the cost of current expenses, current repairs, consumed electricity, fuel, etc., as well as technical support for the development strategy of production activities of forestry enterprises per unit of equipment used in period t;

α_{kt} – is an indicator of the basic value of the active part of fixed capital used by the k-th unit for harvesting, production and sale of a unit of the i-th type of forestry product in period t;

k – is the index of the structural unit used by the forestry enterprise in period t for harvesting, production and sale of a unit of the i-th type of product, $(k = \overline{1, K})$;

T – is the period of time;

L – is the type of technological operation;

γ_{kt} – is the rate of deductions for the renovation of the active part of fixed assets in period t.

To calculate the coefficient γ_{kt}, we use the standard formula:

$$\gamma_{kt} = \frac{E_H}{(1 + E_H)^t - 1}, \tag{8}$$

where t – is the number of full years of capital operation;

E_H – is the rate of adjustment of time costs equal to the rate of return on investment.

When optimizing the objective function, it is necessary to take into account the limiting factors: market, technological, organizational, financial, etc. In particular, the total costs of implementing the plan of production activities of a forestry enterprise cannot exceed the financial resource *(F_t)* allocated for this purpose:

$$\left| \sum_{t=1}^{T} \sum_{i=1}^{N} (L + q_i) \right| \le F_t, \tag{9}$$

where L – is the fixed cost by type of resource for harvesting, production and sale of a unit of the i-th type of product of forestry enterprises in period t;

q_i – variable costs for the harvesting, production and sale of a unit of the i-th type of forestry product in period t;

F_t – restrictions on the total costs of production activities of forestry enterprises in period t.

The formed plan of production activities of forestry enterprises for the harvesting, production and sale of N types of forest products in period t should be ensured by the availability of J resources:

$$\sum_{t=1}^{T}\sum_{i=1}^{N} r_{ti} \cdot x_{it} \leq \frac{2}{3} R_t \,, \tag{10}$$

where r_{ti} – is the specific cost of labor resources used in the harvesting, production and sale of N types of forest products in period t;

R_t – is the limit values of the possibility of using labor resources used in the production and sale of N types of forest products in period t.

$$\sum_{t=1}^{T}\sum_{i=1}^{N} h_{ti} \cdot x_{it} \leq \frac{2}{3} H_t \,, \tag{11}$$

where h_{ti} – is the specific consumption of production resources used in the harvesting, production and sale of N types of forest products in period t;

R_t – is the limit value of the possibility of using production resources used in the production and sale of N types of forest products in period t.

$$\sum_{t=1}^{T}\sum_{i=1}^{N} (r_{ti} + h_{ti}) \cdot x_{it} \leq \frac{1}{3} (H_t^z + R_t^z) \,, \tag{12}$$

where R_t^z – are the marginal values of the possibility of using labor resources used in harvesting operations of the forest product type in period t;

H_t^z – are the limit values of the possibility of using production resources used in harvesting operations of the forest product type in period t.

The indicator of the use of the total capacity of J resources for the harvesting, production and sale of N types of forest products in period t shall not exceed the limit values:

$$T_{l_o}(\sum_{i=1}^{N} x_{it}) \leq b_l \cdot \frac{T_{l_{cep}}}{\max_l T_{l_{cep}}} \cdot \Phi_l^e \leq \max T_l \,, \tag{13}$$

where $T_{l_o}(\sum_{i=1}^{N} x_{it}), T_l$ – respectively, the normative and maximum indicator of the total technological capacity of the production activity of the i-th type of forest products in the period t;

b_l – is an indicator of the number of units of main equipment for the production of a unit of the *i*-th type of forestry product in the period *t*;

Φ_l^e – is the effective equipment operating time fund for the harvesting, production and sale of *N* types of forest products in period *t*.

Taking into account the restriction on the non-negativity of the numerical values of the volume of production activities of the forestry enterprise and the restriction on the saturation of demand in the market of the *i*-th type of forestry enterprise, we obtain the following restrictions:

$$\sum_{i=1}^{N} k_i \cdot x_{it} \leq \max P_{it} \qquad x_i \geq 0, \quad i = \overline{1,N} \tag{14}$$

$$k_i = \frac{1}{1 + \frac{t_{nep_{x_i}}}{t_{x_i}} \cdot N}, \tag{15}$$

where P_{ti} – is the volume of market demand for the products of the *i*-th type of forest resources in period *t*;

k_i – is the coefficient of flexibility of the enterprise's production activity x_i – is the quantity of products of the *i*-th type of forest resources in period *t*;

t_{x_i} – time of harvesting, production of forestry enterprises;

$t_{nep_{x_i}}$ – time of change in the strategy of production activity of the enterprise x_i – is the quantity of products of the *i*-th type of forest resources in period *t*.

The minimum value of the demand for products of a given type of forest resources is assumed to be zero, and the maximum value is determined by the demand for products, taking into account exports.

Given the introduced notation, the dynamic model for optimizing the structure of the volume of production activities of forestry enterprises will look like this: $\{x_i \geq 0, \quad i = \overline{1,N}\}$ to find such an integral solution of the production flexibility of a forestry enterprise that will ensure optimal use of forest resources and maximize the income from their sale:

$$Z = \sum_{t=1}^{T} (\sum_{i=1}^{N} x_{it} \cdot (\overline{u_{tji}^{*}} - (1+\alpha) \cdot q_i) - L) \to \max$$

$$
\begin{cases}
q_i = (1+q)\sum_{t=1}^{T}\sum_{i=1}^{N}\left(\sum_{j=1}^{J}\overline{u_{tij}^{*}} \cdot m_{ijt} + (1+\alpha_c)\sum_{l=1}^{L} t_{tl} \cdot t_{li} + S_{z_i}\right) \\
L = (1+\alpha_c)\sum_{t=1}^{T}\sum_{i=1}^{N} b_l \cdot c_{tl} + \sum_{k=1}^{K}\gamma_{tk} \cdot \alpha_{kt} \\
\sum_{t=1}^{T}\sum_{i=1}^{N} k_i \cdot x_{it} \le \max P_{it} \qquad k_i = \dfrac{1}{1+\dfrac{t_{nep_{x_i}}}{t_{x_i}} \cdot N} \\
\sum_{t=1}^{T}\sum_{i=1}^{N} r_{ti} \cdot x_{it} \le \dfrac{2}{3}R_t \\
\sum_{t=1}^{T}\sum_{i=1}^{N} h_{ti} \cdot x_{it} \le \dfrac{2}{3}H_t \\
\sum_{t=1}^{T}\sum_{i=1}^{N} (r_{ti} + h_{ti}) \cdot x_{it} \le \dfrac{1}{3}(H_t^z + R_t^z) \\
\left|\sum_{t=1}^{T}\sum_{i=1}^{N} (L + q_i)\right| \le F_t \\
T_{l_o}\left(\sum_{i=1}^{N} x_{it}\right) \le b_l \cdot \dfrac{T_{l_{cep}}}{\max_l T_{l_{cep}}} \cdot \Phi_l^e \le \max T_l \\
i = \overline{1,N}, \qquad k = \overline{1,K}, \qquad l = \overline{1,L}, \qquad t = \overline{1,T} \\
x_i \ge 0
\end{cases}
$$

where Z – is the objective function of the forestry enterprise's production flexibility, which will ensure optimal use of forest resources and maximize the income from their sale;

T – is the index of the planning period;

i – is the index of the type of product planned for harvesting, production and sale in period t;

N – is the number of types of products;

x_{it} – is the volume of the product of the i-th type in the period t planned for procurement, production and sale;

α – is the coefficient of indirect costs for the production of the i-th type of product by forest products enterprises in period t;

$\overline{u_{tji}^{*}}$ – is the average projected price of the material resource of the j-th type for the production of a unit of the j-th type of forestry products in period t;

Q – is an indicator of transportation and procurement costs for the production of a unit of the j-th type of forestry product in period t;

L – index of types of technological operations of production activities of forestry enterprises;

t_{li} – is an indicator of technological labor intensity of the l-th operation for the production of a unit of the l-th type of forestry product in period t;

t_{tl} – is an indicator of the conversion of time norms for the l-th operation ($l = \overline{1, L}$) into the cost of labor for the harvesting, production and sale of a unit of the l-th type of forestry product in the period t;

b_l – is an indicator of the number of units of fixed equipment for the production of a unit of the l-th type of forestry product in period t;

c_{tl} – is an indicator of the cost of current expenses, current repairs, consumed electricity, fuel, etc., as well as technical support for the development strategy of production activities of forestry enterprises per unit of equipment used in period t;

k – is the index of the structural unit used by the forestry enterprise in period t for harvesting, production and sale of a unit of the i-th type of product, ($k = \overline{1, K}$);

α_{kt} – is an indicator of the basic value of the active part of fixed assets used by the k-th unit for harvesting, production and sale of a unit of the i-th type of forestry product in period t;

γ_{kt} – is an indicator of renewal of production means due to physical and moral depreciation in period t;

L – is the fixed costs by type of resource for the harvesting, production and sale of a unit of the i-th type of product of forestry enterprises in period t;

Q_i – variable costs for harvesting, production and sale of a unit of the i-th type of forestry product in period t;

F_t – is an indicator of limitations on the total costs of production activities of forestry enterprises in period t;

r_{ti} – is an indicator of specific labor costs used in the harvesting, production and sale of N types of forest products in period t;

R_t – is an indicator of the marginal value of the possibility of using labor resources used in the production and sale of N types of forest products in period t;

h_{ti} – is an indicator of specific costs of production resources used in the harvesting, production and sale of N types of forest products in period t;

R_t – is an indicator of the limit values of the possibility of using production resources used in the production and sale of N types of forest products in period t;

R_t^z – is an indicator of the limit value of the possibility of using labor resources used in harvesting of the N type of forest products in period t;

H_t^z – is an indicator of the limit value of the possibility of using production resources used in logging operations of the *l*-th type of forest product in period *t*;

$T_{l_o}(\sum_{i=1}^{N} x_i)$, T_l – respectively, the normative and maximum indicator of the total technological capacity of production activities of the *i*-th type of forest products in period *t*;

P_{it} – is the volume of market demand for products of the forest resource $i-$type in period *t*;

Φ_l^e – is an indicator of the effective equipment operating time fund for the harvesting, production and sale of *N* types of forest products in period *t*;

k_i – is the coefficient of flexibility of the enterprise's production activity x_i – is the number of products of the *i*-th type of forest resources in period *t*;

t_{x_i} – is an indicator of the time of harvesting, production of forestry enterprises in period *t*;

$t_{nep_{x_i}}$ – indicator of the time of change in the strategy of production activity of the enterprise x_i – the number of products of the *i*-th type of forest resources in period *t*.

The presented production dynamic linear problem of the effective activity of forestry enterprises regarding their production flexibility for the optimal development of forest resources is presented in the form of a system of equations and is based on dependencies that change over a long period of time.

Taking into account the above limitations, this model allowed us to obtain the optimal distribution of volumes of harvesting, processing and sale of forest products for domestic forestry enterprises both in general and by type of product development.

That is, each forestry enterprise, using its production capacity to the maximum, should direct its production activities to the optimal development of forest resources in the amount that will meet the existing needs of the consumer market.

In the course of the model testing, it was found that for most of the studied forestry enterprises, under the condition of the most favorable development of the forestry market, while meeting all the constraints during the forecast period, the optimality condition will not be achieved.

Therefore, the results of increasing the volume of wood processing and sales for forestry enterprises will be the optimal use of forest resources, efficient use of technical and technological resources, and rational allocation of financial resources, which will generally lead to maximization of income from product sales.

The activities of a forestry enterprise are associated with the emergence of risks associated with the impact of various factors of an unstable external (internal) environment. For example, failure or untimely delivery of raw materials will lead to a halt in the technical production process, which creates a risk of losing regular customers. Another example is a change in the price of raw materials, or an increase in the amount of credit obligations or lease payments for the use of industrial equipment, premises, land plots, or a lack of temporarily available funds for investment, which also leads to risk and will reduce the efficiency of the company's operations.

Anthropogenic factors also have a negative impact on forest resources. In particular, there are still negative results of radioactive contamination as a result of the Chornobyl accident and military operations on the territory of Ukraine.

Thus, we believe that the implementation of the proposed model of strategic production flexibility will allow for efficient production and economic activities and maximize the economic effect of activities.

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CHAPTER 4

MODERN MANAGEMENT TOOLS IN THE ECONOMY IMPRESSIONS, EXPERIENCE, BEHAVIORAL ECONOMY

4.1. PROJECTS IN THE FIELD OF TOURISM AND HOTEL AND RESTAURANT BUSINESS DURING THE WAR PERIOD IN UKRAINE

In the scientific study discusses the prospects for restoring the tourism and hotel and restaurant industry in wartime and the period of post-war reconstruction in Ukraine. The implementation of innovative projects should be based on the experience of countries where the recreational sector was completely destroyed or partially damaged during the war. These countries include the former republics of the former Yugoslavia, as well as Cyprus, Israel, and Georgia. The experience of supporting the tourism industry at the state level in France, Italy, or Poland would be interesting for domestic Ukrainian tourism.

Tourism as a result of the Russian-Ukrainian war has caused significant losses both in Ukraine and abroad. The authors of the study propose to consider both already known but not implemented business projects in tourism and those that have been born during the last two years during the war. Ukrainian domestic tourism is currently suffering from significant financial losses, while a significant number of visitors to tourist attractions are either at the front or in the occupied territories. Thus, they are in no way participants in the tourism process. Foreign tourism from Ukraine operates exclusively from the Western region towards the European Union and is aimed at women and children traveling to Egypt, Turkey, or Croatia for beach vacations. The outright ban on travel for persons liable for military service who are not in the war zone in 2023 forced travel companies in the western region of Ukraine to actively seek opportunities to interest citizens in new tourist routes and implement them in areas where the threat to human life is minimal.

The majority of innovative projects that help to dynamize the tourism and hospitality sectors and generate financial revenues that prevent the industry from completely collapsing are being implemented in Lviv, Prykarpattia, Zakarpattia, and Volyn. To a large extent, the tourism sector survives in these areas due to the actions of local regional and district administrations, which are actively involved not only in the development but also in the implementation of ideas.

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The study identified the following promising areas for the restoration of post-war tourism in Ukraine, namely: business, educational, medical, green and military tourism; development and implementation of programs (national and international) to support tourism units; ensuring close cooperation between countries to mutually support tourism activities; promoting the interest of foreign tourists in memorial routes and landmarks where military operations took place. In search of new methods and ways to sell tourism services, the author proves that in the context of restoring the tourism industry and hotel and restaurant business in Ukraine, attention should be paid to the effective experience of foreign countries in restoring the recreational sector, which has already suffered and is suffering significant losses during the COVID-19 crisis, and especially due to Russian military aggression.

The issue of restoring tourism and hotel and restaurant business, implementing innovative projects in this area, is extremely relevant. After all, during the full-scale invasion of Ukraine by the enemy, the tourism and hotel and restaurant sector suffered great losses. The consequences of this invasion were not only human losses, but also the multimillion-dollar migration of Ukrainian citizens, which critically affected the development of domestic tourism in the country. The war has a direct impact on the economy, financial policy and high inflation, so the issue of restoring tourism and using new ideas to improve the functioning of the recreational sector is a very important component of today's life.

The key aspects of the functioning of the tourism sector in Ukraine were studied by such scholars as M. Bashchak, N. Buletsa, Z. Gerasymiv, Y. Danylo, N. Koval, L. Melnyk, and Y. Myronov, who devoted their scientific works to the functioning of tourism under martial law and its recovery in the postwar period. In particular, O. Nosyrev, T. Dedilova, and I. Tokar believe that the following negative factors affect the development of tourism due to the war, namely: insufficient level of security and protection of tourists; damage or destruction of tourist infrastructure and/or tourist facilities; significant migration of the population, including tourism workers, resulting in an outflow of qualified personnel from the tourism sector; reduction of tourism programs by redirecting funds to the defense and social sectors; reduction of tourist attractiveness

Researchers O. Roik and O. Nedzvetska note that Ukraine has significant potential in this area, so the direction of tourism development should be a priority. After all, further ensuring the balanced development of territories in harmony with nature and environmental protection depends on this (*Roik O.R., and Nedzvetska O.V., 2022*).

At the same time, S. Bazhenova, Y. Pologovska, and M. Bykova (*Bazhenova S., Pologovska Y., and Bykova M., 2022*) emphasize the lack of a culture of travel in

Ukraine. When traveling around the country, Ukrainians should learn about its history, traditions, and culture, what creates its unique identity. The war in Ukraine has made significant adjustments to the domestic tourism sector, and after the war, new tourist attractions, destinations, and types of tourism will appear in the country. To achieve post-war recovery and sustainable development, the national tourism industry needs to strengthen partnerships at both micro and macro levels, effective government involvement, and consistent vertical coordination between national and local authorities responsible for direct tourism promotion.

Based on this, it can be noted that the issue of tourism and hotel and restaurant development requires a broader review, it will constantly evolve, so it is worthwhile to attract the positive experience of foreign experts and expand the international level of tourism cooperation.

The purpose of this article is to reveal the prospects for implementing innovative projects in the tourism and hotel and restaurant industry during the wartime period in Ukraine, based on foreign examples and implemented strategies. Achieving the goal involves solving the following tasks: developing and implementing and improving tourism and recreation projects, finding new methods and ways to implement tourism and recreation services, ensuring close cooperation between countries in the direction of joint development and integration of tourism and hotel and restaurant business.

The methodological tools of the problematic research were the methods of systematic analysis and synthesis, historical, logical generalization, comparison, abstraction, etc.

Studies of the impact of tourism and hotel and restaurant business on the economy of the state, conducted in many countries, have revealed stunning results. The low level of imports and intensive use of local raw materials have had a significant impact on the national economies of individual countries. When visiting a country, tourists leave some money in it and, like local consumers of tourist services, pay all taxes. We are talking about value added tax and excise duty. Obviously, the money spent on tourism is then used to pay the following taxes, namely: income tax paid by employees of the tourism industry; taxes paid by suppliers to travel organizations, and, of course, income tax paid by travel companies themselves. The state budget revenues in the form of direct and indirect taxation can account for about 55% of the total tourism revenues. However, any military or political conflicts pose a serious threat to the functioning of this industry, often destroying it.

The war affected the tourism and hospitality industry even before February 24, 2022. The industry began to emerge from a steep "downturn" and gain momentum after two years of anti-pandemic restrictions that affected the entire global economy.

As the political situation in Ukraine deteriorated, Western carriers refused to operate flights to Ukraine. International insurers also played an important role in this process, as they are the ones who take on the responsibility to cover the risks that may arise in the Ukrainian sky (*Kirichenko S., 21 July 2022*). The bitter experience of flying over Ukraine in 2014 at the very beginning of Russian aggression against Ukraine, when Russians shot down Malaysia Airlines Flight 17 over the occupied territory of Donetsk region. The issue of resumption of air transportation was settled by the state, almost a week before the full-scale Russian invasion (*Kyrychenko S., 21 July 2022*). Thousands of Ukrainian tourists, who were on vacation and business trips in the first days of the war, were forced to return home because the skies over Ukraine were closed.

According to Eurocontrol's forecast, air traffic through Ukraine will resume no earlier than 2029, and this is subject to an absolute cessation of hostilities. Railways remain the main means of transportation between Ukraine and Western countries. In 2022, a number of rail routes were urgently introduced from Ukraine to Poland, including through Warsaw, Lublin, Rava-Ruska, and Lviv. On the Ukrainian side, the number of passenger railroad rolling stock is constantly growing. After all, there are currently problems with purchasing train tickets to the western border.

Experience has shown that the tourism industry has suffered significantly as a result of the Russian-Ukrainian war. This applies to both Ukraine itself and most of its tourist-attractive regions. Experts predict that the war will have the greatest impact on tourism in the Middle East, Turkey, Germany, and Greece. Such consequences stem not only from political factors, but also from rising prices for natural resources such as gas and oil, while prices for tourist services will also automatically increase (*Parfenenko H., 20 March 2022*).

The unfolding military conflict makes many experts and specialists in the field believe that there is no way out of this critical situation. However, no matter how pessimistic the current situation with the Ukrainian tourism industry may be, there are many examples in international practice where countries gradually recovered their economies and welcomed visitors again after large-scale conflicts.

Let's start analyzing modern strategic approaches to restoring tourism and recreational potential with the experience of Croatia. The tourism sector in this country practically ceased to function during the 1990s during the civil war. After the war ended, a fairly broad PR campaign was launched with the support of the state authorities, which led to the further involvement of a number of tourism innovations. The country's natural and recreational potential was chosen as a key factor for promoting ideas. Thanks to the main geographical feature - hundreds of islands - it was possible to ensure the influx of tourists who until recently preferred to vacation on Greek island resorts. Croatian beaches began to receive "blue flags" as evidence of environmental friendliness and cleanliness. Foreign publications began to publish articles about Croatia's beach locations, and later, with the advent of information and communication technologies, bloggers and social media joined the publicity process. Thanks to a well-developed post-war strategy, large cruise lines, international tour operators, and well-known chain hotels began to take an interest in the country. The rapid development of tourism has had a significant impact on the Croatian economy, with more than ten million visitors each year bringing significant revenues to the country and accounting for about 15% of Croatia's GDP (*URL: https://www.find croatia.com/history of Tourism in Croatia, 2022*).

Among other examples, let us consider the experience of Greek Cyprus, Israel, and Georgia. Cyprus became one of the most popular beach tourism destinations after the end of the interethnic conflict between the communities of Greece and Turkey. Cyprus' promotional tourism strategy was similar to Croatia's and involved the identification of key tourist advantages and, consequently, their active, massive advertising in the information space of other countries (*URL: https://buyhome.com/history of Tourism in Cyprus, 2020*).

The experience of Israel is also interesting for Ukraine, which, despite the constant wars with the Palestinian Authority, still retains the status of the most attractive tourist country. The peculiarity of Israeli tourism is that it has fully adapted to the situation of a constant threat of military conflict. The authors of the study believe that this state of affairs will continue to be the case in Ukraine. Nevertheless, each short-lived war, such as the May 2021 war in the Gaza Strip, has resulted in the country losing approximately 0.5% of its annual national economic growth. Sectors of the economy were deprived of substantial revenues and local tourism suffered particular losses. During the 50-day war in the Gaza Strip (which was the longest of the three wars since 2009), Israel's tourism industry lost one in four potential tourists and more than half a billion dollars in net revenue. Nevertheless, a focus on medical and pilgrimage tourism, as well as a media campaign on security measures, have been driving Israel's rapid recovery in the international tourism market (*URL: https://travellersworldwide.com/is israel safe, 2023*).

Currently, the Ministry of Tourism and its controlled bodies are developing new programs and supporting existing ones to develop Israel's tourism industry. It should be remembered that the current geotourism situation in the country is contradictory and complex. On the one hand, Israel has a powerful resource potential located on the coasts of warm seas (Mediterranean, Dead Sea and Red Sea), in the zone of interpenetration of world religions and cultures. On the other hand, the country has complicated relations with the Arab world, which often turn into armed confrontation, and is one of the states with a high probability of terrorist acts. As a result of the Ministry of Tourism's Open Israel program, the flow of tourists from abroad has increased significantly. Tourism revenues amounted to 25 billion shekels. Currently, the tourism industry employs about 90 thousand people (*Singutskyi O. V., 2019*).

An example of a specific anti-crisis strategy to restore the tourism industry after the end of the armed conflict is the experience of Georgia. It should be noted that the Russian-Georgian military conflict of 2008 had a negative impact on all sectors of the Georgian economy, with the greatest losses in the travel, hospitality and tourism segment. After the war, total inbound tourism increased by 23% year-on-year to more than 1.3 million foreign visitors due to the implementation of strategic planning in the tourism industry. Before the conflict, only 23% of the world's population was aware of Georgia's tourism potential, but after the war ended, the region saw a significant increase in tourist flows and awareness in the international tourism space (*URL: https://eurasianet.org/georgia-bets-on-mountains-and-toilets-for-post-war-tourism-comeback, 24 July 2009*).

The French experience of tourism innovations shows that the maximum effect in tourism development can only be achieved through cooperation between executive authorities, local governments, public and professional organizations, and business structures. It is worth focusing on the state support of social tourism in France, in particular, its aspects such as the development of the national program "Tourism for the disabled", as well as relevant regulations aimed at supporting the sphere of tourism services for people with disabilities; approval of the national quality standard for family vacation tourism as the most common in the country; monitoring prices for certain tourist products; introduction of a system of vacation checks, introduction and support of a system of "cultural cards"; creation of a special tourist infrastructure for young people, etc. *(Krivenkova R. Yu., 2019).*

Undoubtedly, it is impossible to ignore Italy, where tourism is a priority sector of the country's economy and contributes the lion's share to the country's budget and the Italian economy itself, which is among the top ten tourist countries in the world and, moreover, has been the leader of the tourist premier league for almost a century. In 2013, the Italian government created an advertising project called "Rediscovering Italy" that promotes tourism in the Emilia-Romagna, Lombardy, and Veneto regions. The national and international media campaign is supported by the "Mission to Renew Italy's Image", a program introduced by the Ministry of the Regions, Tourism and Sports in the form of recommendations to attract tourists. The 2300 km long route through the Emilia-Romagna, Veneto and Lombardy regions, which are home to UNESCO World Heritage sites, is an ideal environment for lovers of Italian cuisine. The route passes through the provinces of Modena, Ferrara, Reggio Emilia, Bologna, Mantua, Rovigo and the Po Delta. *(Keller P., 11 February 2019).*

We see that the postwar recovery of international tourism is based on effective mass communications. However, it should be emphasized that mass communications alone cannot be the core of tourism recovery. Innovations that develop in a favorable economic and social environment can become a key driver. Not only state, regional, or local authorities, but also the public should be involved in their development and implementation. Such projects often require public discussion and voting.

Back in 2019, 10 business ideas were published in Ukraine that have been successfully implemented around the world and bring considerable profit. Implementation of projects to create such tourist startups will provide entrepreneurs with income for many years, and with appropriate services, the number of visitors will constantly grow.

Here are some of them.

1. Cable car to Hoverla. The Carpathians are the most attractive picturesque peak of Ukrainian local history tourism, and thousands of travelers go to its summit every year to admire nature and climb to one of its peaks. However, this is not an easy path, which often depends on natural and climatic conditions. If we build a cable car to Hoverla, the flow of tourists, which is already sufficient, will increase significantly. First of all, this will affect the expansion of age groups, and the influx of foreign visitors who are extremely fond of this type of recreation looks promising.

2. A hotel-museum in a palace or castle. Today in Europe, this type of tourist service is no surprise. It has long been widespread in France, Italy, Germany, Poland, and the Czech Republic. In Ukraine, an incredible number of historical buildings are left unattended, with further gradual destruction. And while castles abound in the west of the country, lordly palaces can be found in every region of Ukraine, especially in Vinnytsia, Lviv, Khmelnytsky, and Volyn. The cost of staying in a hotel room in a castle ranged from UAH 1300 to UAH 2500 per night in the pre-war period, but now it is several times higher (inflation plays a role). In Europe, the price is even higher. In addition, it is possible to book a banquet hall for a wedding or other significant event, as well as halls for exhibitions, concerts, master classes, conferences, trainings, and corporate events. The authors of the study have repeatedly participated in events held in the locations of such tourist attractions. An example is the castle in Radomyshl, where a mill and a paper factory used to be located in ancient times. Another example is the St. Miklos Chynadiyevo Castle, which was restored by the current owners of the architectural monument. Unlike in neighboring Poland, it is extremely difficult in Ukraine to lease a cultural and historical heritage site for a long term, let alone purchase the property. Ukraine has not been able to revive the idea of Silver Horseshoe tours. Unlike the Golden Horseshoe tour, there were no mass excursions to the castle in Starye Selo, the castle in Svirzh, and even more so to the castle in Pomoryany. The castles themselves are either closed or destroyed, or the transportation and road infrastructure is not conducive to visiting them. For example, in Volyn, the castles in Kork and Klevan are practically beyond repair, and the Radziwill princes' palace in picturesque Olyka has been collapsing for three years. There were not enough funds for its restoration even before the war began. And after the eviction of the local psychiatric hospital, the castle began to

decay, but its views can compete with the palaces in Lancut and Kozlówka, Poland. Only the financial assistance of the Polish Catholic community allowed the neighboring Jesuit Collegiate Church of the Holy Trinity to be restored. Neither before nor after the war, the state would have funds to restore such objects of the historical and cultural heritage of the region. While during the Soviet era there was a deliberate destruction of such structures that carried everything that was contrary to state policy, today Ukraine will rebuild those infrastructure facilities that are in urgent need. First of all, it is residential and industrial infrastructure in the regions liberated from occupation. Therefore, in order to prevent their complete destruction, such facilities should be transferred to long-term lease with the right of possible purchase. However, specialized authorities will have to review the existing requirements for ownership and the requirements for mandatory reconstruction to be carried out at such facilities. After all, there are a significant number of cases where an architectural monument was purchased solely for the purpose of its subsequent demolition and construction of business facilities on the vacated site. For example, the restoration project of Yahilnytsia Castle in Ternopil region, which still has the entire complex of fortifications and industrial and production facilities (a tobacco factory was located on the castle grounds for a long time), was not completed. Thus, such historical sites require enormous financial investments, but they also have their payback over time.

3. For a long time, Ukraine lacked interesting gastronomic restaurants. The first such establishments began to appear only in the tenth years of the twenty-first century. They offer dishes that emphasize the local flavor. Among Ukrainians, cheese and wine tours in Zakarpattia and Ivano-Frankivsk, dumpling-eating competitions in Poltava, national Jewish and Greek cuisines in Odesa, and the colorful Kryivka in Lviv are popular.

4. An interactive mineral museum. There are many minerals and semi-precious stones in Zakarpattia: rock crystal, rhodonite, rock salt, jasper, agate, and opal. In the Czech Republic or Turkey, for example, there are a number of workshops around historical sites where tourists can buy works of local stone carvers.

5. A settlement of white Croats. Near the village of Dubrova in the Lviv region, there is a unique place that few people know about. It is an ancient settlement that resembles the hobbit village from the movie The Lord of the Rings. In addition to the caves, there are a number of historical sites that need to be explored. Traces of ancient settlements, temples, and necropolises have been found nearby. Recently, Airbnb announced a tempting offer to rent a house on the swamp from the movie Shrek. The hills and marshes of Scotland were chosen as the location. Tourists have the opportunity to live in a secluded house located in the woods and enjoy the natural landscape, i.e. feel themselves in the "skin" of fairy-tale animated characters. This is

how the Ukrainian animated blockbuster Mavka. The Forest Song". Volyn has many natural locations where such an art object can be realized. Multi-day water rafting on the Volyn Amazon, the Stokhid River, should also be returned to the list of tourist routes. Such a challenging route cannot leave fans of extreme outdoor recreation indifferent. Tourists will be able to visit the forest thickets of Polissya, where no human foot has set foot since the First World War.

6. Museum of salt production in Zakarpattia. Zakarpattia has long been famous for its salt deposits. Therefore, a salt-making museum would be in demand here. Solotvyno has been a real capital of salt production since the second century, during the reign of the Roman emperor Marcus Trajan. The village is known for its salt lakes and their healing properties. Therefore, a combination of treatment and cooking would be appropriate, and a medical and culinary vacation would have its supporters.

7. An observation deck on Mukachevo Castle. Palanok is one of the best-preserved Ukrainian castles where you can take unique photos. Like the Kamianets-Podilskyi, Khotynskyi, or Sudakskyi fortresses, it is the location of many films about the historical past. And the best angle for the photo is the road towards Berehove, near the Koropets Canal. There is no observation deck here. You can open a hotel-restaurant with a view of the castle, which stands on the mountain.

8. Jurassic Park. There are many places in Ukraine where ancient people's homes and bones of prehistoric animals have been found. It would be worthwhile to open a Jurassic Park, following the example of the Scientific Amusement Park near the village of Krasiejów in Poland. It could feature life-size sculptures of dinosaurs and mammoths, prehistoric dwellings with their figures, and a hotel in a similar style. The museum could include an educational and entertainment part.

9. A complex where you can watch the production of products and take part in master classes, see a pottery museum and buy ceramics at the market would be popular with vacationers. Examples include the village of Opishnia in Poltava Oblast or the town of Dykanka. The former has long been considered the Ukrainian capital of pottery. Opishnia has all of the above attractions that attract tourists. In addition, Poltava region is associated with the work of N. Gogol.

10. The village of Havarechchyna is located in the Zolochiv district of the Lviv region. It is known for its black-smoked Havaretschyna pottery. Today, this pottery attracts only ethnographers. There is an abandoned pottery school in the village. If the premises are restored, a pottery museum is created, and master classes are held for tourists, you can make good money. In addition, the castles of the "Golden Horseshoe of Lviv Region" - Oleskyi and Pidhoretskyi - are located 16 km from the village (*URL: https://toursector.org.ua/turisticheskie-biznes-idei-na-kotoryih-mozhno-zarabota, 2019*).

Postwar reconstruction will bring many changes to the cultural paradigm. It will be significantly updated. A significant number of historical and cultural monuments are no longer subject to restoration, they are gone forever, destroyed by the Russian army, but new objects of historical memory will appear. These are memorial months associated with war and occupation. Places of human pain, mourning, and heroism.

When formulating a post-war recovery strategy, we believe that national traditions and historical and cultural heritage policy should be strictly adhered to. Obviously, it is unethical and unacceptable to place certain attractions along the routes of memory tourism, and when planning event tourism, it is unacceptable to disregard the monuments of the heroic struggle of the people against the Russian occupation. However, it is worth noting that Ukraine will be able to develop and support such industries as gastronomic tourism in Western Ukraine, because the East and South of our country will not be able to acquire the features of tourist attractiveness for a long time, to maintain the infrastructure of ski resorts, to revive green tourism with innovative projects, to develop sanatorium recreation, such as mineral waters or deposits of medicinal clay. It is also worth paying attention to ecotourism, namely, national parks where active ecotourism can be carried out (Carpathian, Shatsk, Synevir). After all, these regions are the least affected by Russian aggression, and therefore have a lower degree of destruction of the relevant recreational infrastructure and ecological diversity.

For example, the Synevyr territorial community, lacking a digital resource, developed the concept of a new digital solution for the tourism industry as part of the Community 4.0 acceleration program. A resource was needed that would include data on tourist facilities, objects, and services, limiting tourists in their realistic assessment of recreation opportunities. This problem is exacerbated by the uncoordinated cooperation of hotel owners, restaurants, and additional service providers. Tourists spend too much time and money on planning and organizing their vacations, given the lack of convenient digital tools for this purpose. After all, there is a lot to see in the region and it all depends on the right promotion. In 2021 alone, two thousand visitors visited the Synevyr National Park. This means more than 100 different attractions, 120 accommodation facilities, 26 food outlets, 150 tourist service providers, involving more than 800 local residents. However, one of the most attractive tourist magnets in Ukraine has a growth area - a modern digital solution.

The idea of the project was implemented and realized through the "Interpretive Cultural and Educational Journey "Synevyr. Highlanders". Then the cultural heritage sites were systematized and combined into four routes. The formats and styles of recreation were listed on the Silver Guide website. The full-scale war has only increased the relevance of the new digital project: the number of tourists in the community has doubled due to the danger of vacationing in southern Ukraine and limited travel abroad for certain categories of people.

In addition, the project authors thought about implementing platforms for direct communication with service providers and sharing experiences with other tourists.

The team then developed a step-by-step project implementation plan.

1. Market research.
2. Formation of the team.
3. Development of a website with a self-scheduling service.
4. Testing.
5. Promotion.
6. Search for funding.

During the acceleration program, the specialists managed to work through each stage in detail (*Shabanova Y., 15 September 2023*).

Table 1

Analysis of competitors and target audiences on the example of Synevyr territorial community

Name	Characteristics	Interests
Organized tourists	Excursion groups visiting Lake Synevyr	Interest in recreation in the community. Ability to easily organize recreation in the community
Independent tourists	Already resting in the hromada or planning to come	The ability to easily plan and organize a vacation in the community
Travel companies	Tour operators and travel agents	New attractions, services, tourist sites, and ideas for organized group and individual sightseeing tours and leisure programs
		Improving the quality of tours
Employees of creative industries	Artists, photographers, film industry workers	New locations for projects
Owners of accommodation and catering establishments	Rural estates, mini-hotels, hotels, motels, chalets	Increase in tourists and the number of nights they pay for
		Expanding opportunities to promote services
Providers of additional travel services	Tour guides, guides, menagerie owners, rental shops, sale of souvenirs and forest products, horseback riding routes, transportation services, craftsmen, musicians	Increase in the number of tourists

Source: *(Shabanova Y., 15 September 2023).*

At the end of 2022, the project "Barrier-Free Society as an Element of Mutual Respect between People and a Key to Community Development" was launched by the Lviv Tourism Development Association in partnership with the NGO Rehabilitation of Persons with Disabilities and the Metropolitan Andrey Sheptytsky Museum with the support of the USAID HOVERLA Project. The project lasted until June 2023 in the Lviv, Volyn, Zakarpattia, and Rivne regions, in particular in the communities of Lviv, Zolochiv, Lutsk, Uzhhorod, and Rivne.

The aim of the project was to improve the conditions of inclusiveness and barrier-free environment of the cultural and historical heritage and other tourist sites in the western region of Ukraine, with the possibility of further replication throughout Ukraine, which will promote equal accessibility and attractiveness of cultural and tourism services for the entire population and at the same time create opportunities for economic recovery and growth at the local level.

As part of its implementation, an audit of the accessibility of tourist facilities will be conducted, programs and plans for creating inclusive spaces at the level of regions and communities will be analyzed, and appropriate recommendations for improving accessibility will be developed. The Lviv Tourism Development Association plans to develop a map of cultural, historical, and tourist sites in the target regions with information on their inclusiveness, as well as an inclusive tourist and cultural guide for people with visual impairments.

According to the UN Convention on the Rights of Persons with Disabilities, the ability to enjoy access to monuments and sites of cultural significance is a collective human right. Ukraine acceded to the Convention in 2010, but the problem of accessibility of cultural heritage for persons with disabilities in the country has not been properly addressed (*URL: https://decentralization.gov.ua/news/15847., 8 December 2022*).

The Vorokhta community became the first region in Ukraine to collect tourist tax exclusively for the purpose of developing tourism and promoting the region. The State Agency for Tourism Development of Ukraine, at the request of the village's tourism asset, joined the creation of a regional development strategy to attract more tourists (*URL: https://kuryer.if.ua/u-vorohti-pershymy-v-ukrayini-vprovadyat-pilotnyj-proyekt-u-sferi-turyzmu., 18 April 2023*).

Considering the tasks of developing the tourist and recreational sphere, we believe that we should focus on the following (see Fig. 1).

KEY TASKS OF THE DEVELOPMENT OF THE TOURIST AND RECREATIONAL SPHERE OF UKRAINE IN THE POSTWAR PERIOD

- Organization of project work to create a memorial route that will highlight Russia's war crimes in Ukraine
- Support and development of gastronomic tourism in Ukraine (in particular, in Western Ukraine)
- Expand the infrastructure of the country's ski resorts to support the flow of foreign tourists and enrich domestic tourism (Bukovel, Slavske, Vorokhta, Yaremche)
- Implement projects based on green tourism, attract active tourism (river rafting, horseback riding, cycling, rafting), develop fishing and hunting

Figure. 1. Implementation of project management ideas in the tourism and recreation sector of Ukraine.

Source: (*author's developmen*).

All of the above key tasks will help support and further develop the tourism and recreation sector in Ukraine and increase the volume of domestic tourism in the country. Attention should be focused on the development of those regions that were least affected by the war, and the natural resources that Western Ukraine is rich in (rivers, lakes, mountains, forests) should be used. This will allow us to create a digitalized database that will allow us to develop tourism in the country during the war and post-war recovery.

Historically, during the 16th to 21st centuries, the greatest destruction of historical monuments in Ukraine occurred in the Center and East (the liberation struggle of the Khmelnytsky and Ruin periods, World Wars I and II, collectivization and industrialization, and the extreme Russian-Ukrainian war). Thus, it will take decades, not years, to restore life in these territories. Some national heritage sites cannot be rebuilt at all, and we are talking about territories that were or are under Russian occupation. Ukraine has practically lost its tangible and intangible cultural heritage in Kherson (Kakhovka HPP), Donetsk, and Luhansk regions. Architectural monuments in Odesa and Mykolaiv regions have been destroyed for almost the entirety of 2023. Art and archaeological objects from Crimea (the Chersonesos Tavriya State Museum and Reserve and paintings by prominent artists I. Repin, I. Aivazovsky, A. Kuindzhi, L. Lagorio, A. Fessler, and others) are destroyed or expropriated and exported to Russia on a massive scale (*Semena M., 7 October 2021*).

Tourism and the hotel and restaurant industry will contribute to the recovery of Ukraine's economy in the postwar period. Ukraine has every opportunity to regain its place in the international tourist environment, relying on geographical and cultural locations, investment opportunities, unforgettable impressions and emotions. All of the above-mentioned negative trends in the foreign tourism market are much less severe than those in the Ukrainian tourism market, which has fallen victim to the large-scale military aggression of the Russian Federation. For obvious reasons, domestic tourism has been completely destroyed. Most Ukrainian hotels are now closed or converted to meet the needs of internally displaced persons.

Writing about the revival of the tourism sector in the liberated cities, it is worth noting that all projects related to the events of the war should first and foremost become part of the historical memory and commemorative tourism of our country. That is why government agencies, non-governmental organizations, the public, local authorities, and specialized research centers should be involved as widely as possible in addressing the issue of ethics and economic justification of military history tourism projects.

Despite the above, current events are still not a determining factor in the development of tourism and recreation. It remains the variety of recreational resources and related services that Ukraine has in abundance. In fact, this is the first thing that an average traveler pays attention to. We will have to improve the surviving tourist arsenal and, of course, rebuild the destroyed ones. Undoubtedly, the Ukrainian tourism industry will see a shift in trends towards the development of recreational services that will additionally offer physical and mental rehabilitation, infrastructure for recreation for people with disabilities, and the spread of emotional reset tourism products with an emphasis on sustainable practices of human-nature interaction (retreats, eco-tours, experiential travel, etc.).

All of this should be done taking into account past experience and the proven track record of foreign partners, but paying more attention to current trends that change almost daily.

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4.2. FORMATION AND DEVELOPMENT OF THE BRAND STRATEGY IN THE MANAGEMENT SYSTEM OF THE ORGANIZATION

The management system of any organization consists of a complex of interconnected subsystems, one of which is the marketing subsystem. Branding is an extremely important component of the marketing subsystem.

Today, the brand is one of the key factors that the consumer relies on when choosing a certain product or service. The interest of a consumer or a potential partner in a specific brand can cause an increase in sales, profits, sustainable development of the enterprise and determine the direction of the organization's competitive strategy. However, reaching a state of brand influence and importance in the market requires a long period of time for its development. That is why it is important to develop a brand strategy in the management system of the organization.

Conditions of fierce competition force entrepreneurs to develop, master and use various tools that allow them to get a chance in the fight for the consumer (Melnychuk, 2018).

The expansion of the scale of competition, the desire of manufacturers and sellers to attract potential consumers to the goods produced and sold, and the need to retain existing buyers and customers have significantly intensified the use of brand management technologies in business activities (Petropavlovska & Radchenko, 2017).

A full-scale war also has a significant impact on the development of brand management in Ukraine. On the one hand, it became the cause of the deterioration of the economic situation in the country, and as a result, the reduction of company budgets for branding and marketing in general. On the other hand, it caused an increase in demand for certain groups of goods and led to a change in priorities in marketing and brand strategies.

It is the specificity of the buying behavior of Ukrainians that determines the specifics of the application of branding concepts in the domestic market, namely (Pashchenko, 2017):

- the general level of brand recognition among Ukrainian consumers is constantly increasing, so Ukraine is a country where you can quickly create and promote a new brand;

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- as a result of Ukraine's European integration and the rapid saturation of the domestic market, consumers do not have time to form loyalty to a certain brand due to the constant appearance of new, previously unknown products;

- the brand in Ukraine is perceived to a much greater extent than in the West as a symbol of "authenticity of the product";

- to create a brand in Ukraine, a powerful and systematic advertising campaign is necessary both in mass media, and active use of outdoor advertising, and especially targeted advertising in social media;

- in the mind of the domestic consumer, the concept of "brand" encompasses three factors: the country of manufacture, the attractiveness of the packaging and the trademark itself, therefore the name of the brand must be supplemented with information about the country of manufacture;

- it is necessary to take into account the national traditions and peculiarities of the perception of advertising appeals by Ukrainian consumers, for whom the "personalization" of the brand is very important, that is, the use of famous personalities for its promotion.

The process of introducing brand management into the management activities of domestic enterprises, taking into account the fact that in the modern competitive environment, the struggle of brands, and not products, for their place in the minds of consumers, continues quite rapidly.

The development potential of companies that do not engage in branding is quite limited by a narrow segment of consumers for whom price is the dominant factor in choosing a product or service. So, it can be argued that brand management has a direct impact on the company's performance.

To reveal the problems of this research, first of all, it is necessary to specify and characterize its key concepts.

A brand is an entity that constantly develops over time, from a brand as a concept consisting of well-known elements (brand name, trademark, slogan) to a set of functional and emotional elements clearly perceived by consumers that are united with the product itself and the means of its presentation (Smerichevskyi, Petropavlovska & Radchenko, 2019).

Most often, when defining the essence of the concept of "brand", attention is focused on two approaches:

1) a brand is a name, expression, sign, symbol or design decision, or their combination, intended to identify the goods or services of a certain manufacturer and differentiate them from the products of competitors. This is an intangible sum of the product's properties: its name, packaging and price, its history, reputation and method of advertising;

2) a brand is a promise, a set of impressions that provide a sense of satisfaction and quality that remain with the buyer as a result of using the product. It is an intangible asset, the value of which lies in its recognition by consumers and the positive associations associated with it.

The modern understanding of the brand includes several aspects: the mechanism of product differentiation; market segmentation mechanism; image in the minds of consumers (brand image); means of interaction (communication) with the consumer; means of individualization of the company's goods; identity support system; legal instrument; part of the company's corporate culture; the concept of brand capital; an element of the market that is constantly evolving in time and space (Melnychuk, 2018).

Today, a brand is not simply an intangible asset of an enterprise, a brand creates value, forms brand equity, which is characterized not only by quantitative measures, but also by qualitative indicators.

Depending on the symbolic content of the brand, three types of relations with the consumer are possible (Melnychuk, 2018):

- emotional relations are formed on the basis of feelings caused by the brand in the consumer (positive and negative emotions);

– behavioral relations can be considered as consumer actions caused by brand motivation to a practical result, i.e. as an intention to purchase a product;

- rational relations are formed on the basis of knowledge, evaluation, conviction and awareness of the buyer about the brand.

A brand develops throughout the entire life cycle, transforming a trademark from a set of identifying elements (slogan, trademark, style) to a clearly perceived value by consumers, as a set of functional and emotional elements. The consistent development of the brand from simple awareness to the formation of loyalty is provided by branding (Kovalchuk, 2018).

Most of the authors who research the issue of branding include the following as the main characteristics of a brand:

- its main content (Brand Essence);

- functional and emotional associations expressed by buyers and potential clients (Brand Attributes);

- verbal part of the trademark or verbal trademark (Brand Name);

- the visual image of the brand formed by advertising in the perception of consumers (Brand Image);

- the level of brand popularity among the buyer, brand power (Brand Power);

- a generalized set of brand features characterizing its individuality (Brand Identity);

- cost estimates, brand performance indicators (Brand Value);
- degree of brand development (Brand Development Index);
- degree of involvement of the brand in the target audience and its individual segments (Brand Loyalty).

Today, the brand is perceived not just as a trademark, but as a special business philosophy, as a means of achieving company success. Its main task is to create significant brand capital, that is, the market potential of the brand, which is especially important in the long term.

The modern understanding of the brand includes a number of its roles, namely:
- the mechanism of product differentiation;
- market segmentation mechanism;
- image in the minds of consumers;
- means of interaction (communication) with the consumer;
- means of individualization of the company's goods;
- identity support system;
- legal instrument;
- part of the company's corporate culture;
- the concept of brand capital;
- an element of the market that constantly develops in time and space.

In order to build a strong brand, a business needs to make an effort. If everything is done correctly, then later they will help the company to be firmly established in the market, and the brand to become a source of income generation.

Of course, the brand is not the only factor of business success. Competitive advantages and a quality product are also important, but it is the brand that greatly increases the likelihood of business sustainability. Most of the company's business goals are usually focused on improving brand awareness.

Branding is creativity, based not only on a deep understanding of the market, but also on knowledge of the main legal and socio-cultural aspects. And the first thing to keep in mind is the connection of the brand management process with the company's strategy and business system.

There is a direct connection between the brand management process and the company's strategy and business system. If positioning and brand management are not related to the strategy and business system of the company, then the chances of success are quite low.

Brand strategy is a comprehensive program for developing the company's identity (its products, services) and increasing its assets. It defines the main target audience, substantiates the main idea of the brand and attributes of its presentation, emotional and physical characteristics, visual image, as well as pricing strategy, sales channels and marketing communications to promote the brand in the market. The strategy should outline the future of the brand - what the product will be, who will be its consumer, in which direction the brand will develop (Shmatko, 2020).

Brand strategy characterizes a set of tangible and intangible characteristics of a product (technology) or service that shape the consumer's consciousness, the motivation of his behavior when choosing a product (service).

Brand strategy is a holistic system of product (service) identity development with the aim of increasing the brand assets of the company. It defines the target audience of the product (service), reveals the main idea of the brand (core) and key attributes of its identity, emotional and functional characteristics, visualization of images, pricing strategy, sales channels and marketing brand communications to promote the product (service).

The brand strategy allows you to specify the product at the level of the model, its modifications, based on a number of essential features characteristic of the product: technical and aesthetic perfection, packaging design, merchandising, service provision (Zborovskyi, 2018).

The brand strategy involves directing the company's actions to the formation and implementation of long-term goals defined by the brand. This is a kind of route plan, which is guided by the company during the development and management of the brand.

It covers all the ways in which the company plans to improve the impression of its customers on the brand and involves not only marketing activities, but also the holistic coordination of the work of the units of the entire organization with the goals of brand development. It is relevant to all processes, starting from the development of new goods (services) to the formation of brand assets, its positioning and communication features.

In addition, the brand strategy helps to coordinate activities in the event of threats, new opportunities, that is, what cannot be done only by individual brand tools. The key provisions of the strategy determine the direction of the company's resources on what makes the company's products or services unique and create additional value for consumers. At the same time, each structural division of the company plays its role in the implementation of the brand strategy.

The development of a brand strategy begins with the definition and identification of the main characteristics of the brand, namely (Praktychnyi haid zi stvorennia brend-stratehii, 2020):

- brand activity;
- brand values;
- brand vision;

- brand mission;
- brand identity;
- brand positioning:
- enemy of the brand;
- brand archetype;
- portrait of the consumer (target audience);
- typical pattern of brand strategy;
- positioning elements to be avoided;
- creative brand platform.

The main elements of brand identity formation are: values, vision, mission, positioning and brand identity. Other characteristics help to effectively work with the strategy in the future, creating a complete picture for the person who will implement it (Piankova, 2009).

Brand values are what a brand is willing to fight for. In today's world, it is values that are most important in the perception of a brand by its users. If earlier it was enough for a brand to find its positioning, today it has to prove its individuality and identity. Because by buying a product of a brand that has clearly defined values, the user can support them by expressing his own position in life. Values complement and strengthen brand positioning, but require constant evidence that they are really important to the brand (Kovalchuk, 2018).

The value formed by the brand is a criterion during its selection and consumption, created by the company through the development and consistent implementation of the brand map.

An example of the correct use of company values is the British natural cosmetics brand Lush. He managed to build an international corporation with a billion revenue without spending a penny on external marketing by actively fighting for his values (Praktychnyi haid zi stvorennia brend-stratehii, 2020).

The vision outlines the future ideas and directions of development of the company (brand), characterizes the aspirations or dreams of business owners. The role of the vision is to inspire the company's team and attract exactly those customers who share this global dream and aspiration. Instead, the mission statement demonstrates how the brand will realize its vision.

The mission provides an idea of the company's activities and the purpose of its existence. The mission usually also describes the customers whose needs are satisfied by the business, the line of business, competitive advantages and ways of interacting with the external environment. The difference between these concepts lies in the time frame - the vision (vision) is aimed at the future, and the mission describes the present (Brend & Brendynh. Mozhlyvosti ta nebezpeky).

Brand identity is its main content and a key concept of brand management.

For the first time, the concept of brand identity was proposed by Kapferer (Kapferer, 2008), who believes that brand identity is clearly defined when the company has formulated answers to the following questions:

- What is the vision and purpose of the brand?
- What makes the difference?
- What need does the brand satisfy?
- What is its unchanging nature?
- What value or values?
- What is his area of competence (legal area)?
- What signs make the brand recognizable?

The well-known scientist in the field of branding D. Aaker offers the following definition: brand identity is a unique set of brand associations that the brand developer seeks to create or maintain. These associations determine the meaning of the brand and the promises made to consumers (Aaker, 1996).

Summarizing the opinions of various specialists, scientists and practitioners, we can come to the conclusion that brand identity:

1) is a strategic concept of brand personalities, its external expression, a set of its identifiers;

2) reflects the unique characteristics of the brand that motivate consumers to make a purchase;

3) plays a key role in the process of brand recognition by consumers;

4) forms its uniqueness;

5) is the main element forming the model and image of the brand.

So, brand identity is a concept intended for the brand to implement the functions of identification, differentiation and influence on consumer behavior.

Positioning is especially important when building a brand, because it is responsible for the associations that arise for the user of the brand.

The brand occupies a stable position in the mind of the consumer regarding the problems of which nature (psychological, social or cultural) it solves. Accordingly, brand positioning should be created based on the picture of the consumer's world, the peculiarities of his motivation.

Most authors define positioning as a set of associations that a consumer associates with a brand. These may include physical attributes, lifestyle, usage situations, brand image, stores where it is sold, etc.

The purpose of positioning is to create such an impression among consumers that they have a unique, one-of-a-kind product, and there is no equivalent substitute for this brand. Uniqueness and qualitative differences are important in the selection process - such a position is formed through integrated marketing communications, each message of which complements and clarifies this unique position of the product among all others (Petropavlovska & Radchenko, 2017).

Positioning allows you to convey to the audience the main idea and value of the brand, which are shared by consumers; helps establish trust with the target audience, distinguish the brand's offer from other similar ones; create associations so that it is easier for the consumer to remember the brand's products in time.

The criterion for successful positioning is the conquest of a certain market share and the growth of consumer loyalty to the brand (Prymak, 2012).

Positioning is based on how consumers perceive and evaluate the purpose, benefit and benefit, quality and reliability, advantages and other characteristics of the product (service).

The main task of positioning is to achieve a stable image in the minds of consumers about the brand as the best product for specific conditions. In other words, positioning is the creation of such a context for the brand in which the choice associated with it will be perceived as the best (Petropavlovska & Radchenko, 2017).

The main parameters of brand positioning are condensed into a concise concept of positioning (positioning statement), which characterizes the "place" of the brand in the minds of target consumers. The concept of positioning should become a meaningful core that sets the direction of all marketing communications of the brand.

The concept of positioning determines the features of further marketing communications of the brand. The development of the concept of positioning takes into account three main points:

1) who is the target group of consumers of a certain brand;

2) what are the main advantages of using this brand;

3) what is the advantage of the brand over existing analogues.

Positioning is based on the fact that consumers make choices based on comparison. Accordingly, the product will be considered only when it enters the selection process. The answers to these questions help to position the brand and make it relevant for the consumer.

It is known that a brand is formed over a long period of time, provided that it fundamentally does not change the main essence and is consistent. The concept of positioning assumes that some aspects of a brand remain unchanged over time. Continuity is essential to brand building and longevity. At the same time, a brand that does not change for a long time loses its attractiveness and relevance. After all, lifestyles, consumer expectations, technologies, and competitive positions change over time. Accordingly, the question arises: how to adapt to new changes, while preserving its distinctive features. Since the basis of the brand is the product, and the superstructure is the communication strategy, accordingly, the adaptation process will affect these two vectors of development.

According to J. Kapferer (Kapferer, 2008), there are eight components of successful brand positioning: 1) competitive environment; 2) goal; 3) consumer understanding on which the brand is based; 4) the benefits of the brand; 5) brand values and its individuality; 6) reasons for trusting the brand; 7) distinctive feature, which is the most significant feature for selection; 8) brand essence.

The brand occupies a stable position in the mind of the consumer regarding the problems of which nature (psychological, social or cultural) it solves. Accordingly, the positioning of the brand should be created based on the picture of the consumer's world, the peculiarities of his motivation. Successful positioning allows not only to determine the place of the product in the market, but also to give it an additional competitive advantage (Petropavlovska & Radchenko, 2017).

Next, we will proceed directly to the description of the brand strategy in the company's management system.

As we have already noted, in the era of globalization and intensifying competition on domestic and foreign markets, domestic enterprises need effective competitive advantages in order to ensure strong competitive positions, which, in particular, can be achieved with the help of branding technologies, development and implementation of appropriate brand development strategies. Brand is currently one of the strongest tools for achieving competitive advantage.

Developing a brand strategy empowers the company (Shevchenko, 2010):

- determine the main needs (requirements) of the target audience and create a new offer based on the company's products;

- adjust or develop a new direction of brand development;

- emphasize the company's key competitive advantages among competitor companies;

- create a brand image, the desired impression of it, demonstrate its main idea and make the brand popular;

- strengthen the position on the market and the level of trust of the target audience, increase loyalty and attract new consumers;

- to increase the value of tangible and intangible assets of the company.

The development and promotion of the brand are two keys to its strategy, which includes many constituent elements and processes, starting from the description of the target audience, analysis of competitors' products, choosing an idea for positioning, and ending with the development of a product strategy, a pricing strategy, and a marketing communications strategy.

Let's consider what stages you need to go through when developing a brand strategy.

Since this strategy is one of the functional strategies of the company, it is appropriate to consider it through the prism of the main stages of brand management as a component of the management process.

The model of the formation of the company's brand development strategy can be presented in the form of a certain algorithmic structure, which consists of the following stages (Oberemchuk, 2012):

- market analysis (segmentation, assessment of market capacity and its segments, market dynamics, competition analysis, etc.);
- analysis of the internal environment of the enterprise (intellectual capital audit and brand analysis);
- determination of the purpose of brand development and promotion;
- creation of brand positioning;
- development of brand architecture;
- formation of alternative strategies for the development of the company's brand(s) and selection of the most acceptable alternative;
- development and implementation of appropriate marketing communications;
- constant audit of the condition of the company's brand(s) at all stages of the life cycle;
- assessment of brand value;
- implementation of the selected strategy, evaluation of the competitiveness of the brand and the enterprise, and the development of appropriate planned measures.

Next, we will consider in more detail the above stages of developing a brand development strategy.

The first stage is related to market analysis. At this stage, first of all, market segmentation should be carried out, since the brand strategy depends on the level of market development and how structured it is.

An extremely important component of this stage is market segmentation. Market segmentation is the process of dividing the target audience into several groups based on similar characteristics and needs: location, gender, age, interests, type of activity, and much more.

The main goals of market segmentation are:

- orientation of the company to the target audience;
- product (service) development considering the needs of the target audience and their satisfaction;
- formation of competitive advantages of products (services):
- determining the direction of the marketing strategy;

- a clear focus on a narrower segment of the market, etc.

Market segmentation is necessary in any field of business, as it makes it possible to identify and select one or more groups, the study of which will help determine market share, forecast sales, and develop an effective sales strategy. Also, segmentation due to an in-depth analysis of the target audience makes it possible to understand what to attract the attention of the client, what need to focus on and how to help the consumer find a solution to the problem.

The key criterion features of segmentation, which make it possible to divide the target audience into groups, should be: geographical, demographic, psychological, socio-economic, behavioral, etc.

During geographic segmentation, it is advisable to divide the market by: regions, population, climatic conditions, status of settlements (for example, resort towns or cultural capitals), etc.

It is important for any organization, because it chooses - in which territory to conduct business and how external factors and cultural features can affect the purchasing power of the target audience.

As for demographic segmentation, it is necessary to divide all consumers on the basis of demographic indicators, namely: age, gender, marital status, religious views, national and racial affiliation.

Important events in the life of consumers are birthdays, national holidays, events in the life of the country or city. Thanks to demographic characteristics, it is possible to learn how the preferences and tastes of consumers will be formed.

The next criterion for consumer segmentation is psychographic

Distribution of the audience according to psychographic characteristics characterizing the consumer's personality type and the motivation of his behavior. For example: personality type (extrovert, introvert); life position (active, aggressive, passive); attitude towards oneself; internal motivation; consumer values (sports, family, career, material well-being, etc.) opinion leaders (famous personalities, bloggers, friends, parents, etc.).

The distribution of consumers according to socio-economic characteristics is carried out in order to determine the motivation of the behavior and the solvency of the segment. For this, segmentation is carried out by income level (high, medium, low); type and field of activity; education etc.

And last but not least is the behavioral distribution of the target audience.

Determining behavioral characteristics is necessary to understand how a person will react to a product (service) and how he makes a purchase decision. The main distribution criteria will be: places of shopping (shopping centers, online stores, markets, etc.); frequency (regularity) of purchases; benefits for the consumer (functional and emotional); attitude to the product (service) (loyal, negative, indifferent); the reason for the purchase; expectations from the product; client status (potential, permanent or new client); the level of readiness to buy (uninformed customer, customer who knows the product well, or is interested).

The effectiveness of the segmentation procedure is evaluated according to the following criteria (Shcho take sehmentatsiia rynku ta yaka yii rol u marketynhu):

- segment capacity. These are quantitative parameters: what volume of products and at what cost are needed by real and potential consumers;

- uniformity of response in each segment. Consumers gathered in a group have the same reaction to the offer that comes from the company, and at the same time it is different from other segments;

- availability. A parameter that reflects the costs of promotion channels and the sale of goods necessary for profitable operation in the segment;

- measurability. All the necessary resources that allow you to explore the size of each segment, as well as check for closed areas that for some reason prevent access to audience information;

- materiality. Checking the potential of each group - whether it can be a segment or whether the company needs to allocate another part of the audience.

- profitability. Assessment of the level of profitability from work with the received segment (profit rate and its growth).

- competitiveness. Evaluation of the company's competitive advantages.

- demand efficiency. Checking the compatibility of the segment with the selected competitive market - the size, level of solvency and consumer interest in the product are checked.

At the second stage of forming a brand strategy, the internal environment of the enterprise is analyzed (intellectual capital audit and brand analysis).

Intellectual capital is a form of capital that includes the company's intangible assets: intellectual property, human, infrastructure, market and other intangible assets. All these components to varying degrees and in different ways affect the development of the company, and hence the increase in its market value and the value of its products and services (Parii, 2018).

The analysis of human, organizational and consumer capital is important for the formation of a brand strategy.

Human capital is formed by knowledge, practical skills, creative and thinking abilities of a person, his personal and leadership qualities, work culture, which are used to achieve a certain goal (in our case - brand development). Moreover, the combination of these components in collective work provides the enterprise with a synergistic effect, multiplying the effectiveness of individual decisions. It is extremely important for the enterprise, as it is a source of renewal and progress.

Organizational capital includes technologies, procedures, management systems, hardware and software, patents, organizational structure, corporate culture, etc. It is organizational capital that provides the enterprise with the ability to meet market requirements. But to remain competitive, companies must regularly review their organizational capital, enhancing innovation and developing organizational culture.

The assessment of consumer capital is extremely important during the analysis of the internal environment, since it is the part of intellectual capital that is formed in the process of sustainable relationships with clients and consumers. It is often considered as "relationship capital". In this sense, it includes contracts and agreements, reputation, trademarks, product distribution channels and order portfolio, customer relations, etc. Consumer capital is, in a way, an assessment of the relationship between producers of products and their consumers (Parii, 2018).

At the same stage, after the intellectual capital audit, a brand analysis is conducted.

Brand analysis helps to understand in what state the company is today, where it is going, what management and employees need to change so that the vector of development is correct. Analysis of the company's brand is done in order to:

- to identify the attitude of interested parties (target audience, consumers, employees, partners and customers of the company);
- compare the original mission of the brand with its current reflection in the interaction of the brand with the target audience;
- study the actions of competitors and develop a strategy for working with them;
- to understand how profit is formed, and what are the new ways of its accumulation.

Specialist marketers point out that the main reasons for conducting a thorough brand analysis are as follows (Brend abo bred: yak pravylno proventy analiz Brenda):

- expected sales do not match actual sales;
- increase in negative feedback from consumers or clients;
- the company wants to cover a new price segment or master a new market;
- franchising planning;
- there is a merger of two companies or a change of owner;
- expansion of the target audience is planned;
- it is necessary to evaluate the success of the new brand launch;
- rebranding is planned;

- expanding the brand range or bringing a new brand to the market.

Brand analysis should begin with an assessment of three key indicators:

- brand recognition;
- consumer loyalty to the brand;
- the significance of the brand.

Next, a thorough audit of the brand is carried out on two levels: internal and external.

During internal brand analysis, an assessment of the company's organizational structure, internal corporate culture, and the role of internal branding should take place. The main factors affecting the development of the brand within the company are determined. An analysis of the company's marketing actions (activities) in recent years is carried out. In addition, the strengths and weaknesses of the brand, its ideology, vision and mission are analyzed.

A separate place is occupied by the evaluation of the attractiveness of the brand for consumers. For this purpose, the communication strategy of the brand is evaluated and analyzed:

- corporate style elements (logo, combination of colors, etc.);
- communication channels with consumers;
- brand image and its place in the minds of consumers, etc.

During the external audit of the brand, cabinet studies of the current market situation and trends in its development are conducted. A full-scale assessment of consumers is also carried out - from their perception of the brand to their interests. The place of the brand among competitors and perception by partners is subject to detailed analysis.

It is also worth considering the differences in the analysis of companies of different categories: B2B and B2C. For the first category, the most important is the analysis of the quality of products (services), the reputation of the company and the assessment of the image of the manager (owner). For the B2C sphere - non-verbal characteristics of the trademark, effectiveness of communication channels and brand perception by consumers (Brend abo bred: yak pravylno proventy analiz brenda?).

In general, a detailed internal and external audit of the brand is the basis for the correct choice of the future vision and vector of brand development. As a result of brand analysis, it is possible to objectively assess the stability of the company and its ability to generate profit. This is very important from the point of view of capitalization and development prospects of the company itself.

The third stage of developing a brand development strategy is determining the purpose of developing and promoting the brand.

Brand promotion is a continuous process of promoting it, conveying the necessary information to the target audience, which requires constantly new unique ideas in the marketing strategy. This is a special philosophy, individual design and unique content that distinguish the company from competitors and are remembered by the consumer.

The main advantages of brand promotion are:

- confidence for business for many years;
- formation of a positively oriented target audience;
- obtaining a stable income above the average.

The goals of brand development and promotion can be different, for example:

- informativeness. In this case, the company should emphasize in marketing communications on the unique properties, characteristics and benefits of the product. In addition to the cost of the product, the information should relate to functionality and other brand differences;
- product differentiation. Another important objective is to promote the brand through convincing facts about the superiority of the trademark. Differentiation contributes to the creation of so-called brand loyalty, when customers remain faithful to their choice and buy goods of the same brand;
- growth of consumer demand. To achieve this goal, all the company's efforts should be aimed at increasing demand and stimulating sales.
- growth of branded capital. In this case, the utility of the brand is emphasized. The importance of targeted advertising is to profitably talk about brand values, share achievements, etc. The value and popularity of the brand justifies the high market price;
- stabilization of sales. Demand fluctuations, cyclical or seasonal, affect the level of sales revenue. To minimize fluctuations, brand promotion involves stabilizing regular sales. For example, to increase sales in the summer, the Nescafe brand launched an advertisement for a new line of iced coffee products.

The next fourth stage of brand strategy development is related to the creation of brand positioning. Above, we described the purpose and features of developing brand positioning. Therefore, let's consider the most common brand positioning strategies in the context of brand strategy development.

Most branding scholars and marketing practitioners emphasize eight main positioning strategies:

1. Competitive positioning. The strategy of such positioning consists in opposing one's own brand to a competitor whose market share is planned to be won back. This strategy is most often used against market leaders. The unsatisfied desires of consumers and the shortcomings of the leading company are the main emphasis of

this strategy. However, before that, it is worth making sure that the brand has all the competitive resources in order to declare: "We are better than..."

2. Price positioning of the brand. There are several approaches to this positioning strategy. The first is the same, but at a lower cost. This approach is appropriate for companies whose products do not have a high degree of consumer involvement and which are chosen rationally. Such a strategy will be successful if there are companies on the market that sell goods at an unreasonably high price.

The second - more for the high cost. In this case, consumers are ready to purchase not only the product, but also its prestige, the opportunity to belong to a certain category of people "who can afford it."

The third - less for less cost. Such a strategy is appropriate if the company targets consumers who do not want to overpay for something they can do without.

3. Prestige positioning.

People like to feel special. And they are even ready to pay for it. Such a positioning strategy will be successful for companies that produce and sell truly luxury or premium products that are associated with belonging to representatives of "high society". Most often, the price gap between products of this group and similar products is greater than the gap in quality. The risk of this strategy is that products of this group are often imitated and offered to spend less money for supposedly similar quality. Selling luxury items that sell well during an economic upswing is profitable, but risky in a downturn, when the consumer thinks more often about what he really needs and what he can do without.

4. Positioning of the category.

When developing a brand positioning strategy in the relevant category, emphasis is placed on promoting the product as a leader. This strategy is profitable if a new market is created. Positioning will be successful if the company: has an innovative solution for the new market; manufactures goods with unique properties.

5. Application positioning.

The key to this strategy is a specific consumption situation, thanks to which a person will buy a product. The more unique the situation, the narrower the market in which you can quickly take a leadership position. Consumer habits can change, so you need to regularly research their preferences and needs.

6. Positioning by benefit.

Such a positioning strategy can be based on both emotional and rational benefits. It is based on the answer to the consumer's question: "What will I get by choosing this brand?"

7. Positioning by consumer.

If the company focuses on a specific target audience in its advertising, this strategy will be appropriate for it. It can also be used by small companies that manufacture goods with specific properties. Such positioning identifies a very specific target audience of the product (service).

8. Positioning by brand characteristics and attributes.

This strategy uses the distinctive characteristics of the brand and is the most common. Positioning focuses not so much on differences from competitors as on the unique properties of the product that make it special.

In addition to the above positioning strategies, others can be used. For example, P. Temporal (Temporal, 2002) draws attention to such types of strategies as:

- positioning strategy - problem solving. This strategy is most often used in the field of financial services, information technology, communications, pharmaceuticals and is based on the assumption that the consumer's goal is not to purchase a certain product, but to solve a specific problem;

- the strategy based on the authority of the producer brand uses the influence of the parent brand to form a strong position of the product brand, which facilitates penetration into new markets and is effectively used by world-famous companies;

- the strategy of participation in the social movement. This strategy is based on emotions, but not personal, but social (belonging to society or a specific social problem). The main disadvantage of this strategy is that the issues may become irrelevant, but if the right approach and in combination with others, this strategy can be very effective.

After choosing a positioning strategy, the next, fifth stage of forming the company's brand development strategy is the development of the brand architecture.

Marketing research shows that a feature of modern companies is the multi-brand nature of their product portfolios.

For the most part, brand architecture is formed spontaneously and sometimes leads to problems in its management. That is why the question arises as to the feasibility of creating a brand architecture while developing a brand strategy.

David Aaker combines the creation of brand architecture and portfolio theory, arguing that brand architecture organizes and structures a company's portfolio by defining the role of each brand, the system of relationships between brands within the same company's portfolio and between different product-market models (Aaker, 1996).

The development of brand architecture consists of four main steps Ostapchuk & Pashchenko, 2021):

1. Defining the role of each brand in the middle of the portfolio.

2. Determination of the role of each brand within the "product - market" framework.

3. Formation of the brand portfolio structure.

4. Graphical and tabular interpretation of architecture.

The development of the brand architecture is part of the portfolio strategy. It is a certain hierarchical form for building a structure of interconnected brands and sub-brands belonging to one company (one owner). Brand architecture is closely related to business promotion strategy. On the one hand, it reflects the state of affairs at the current stage. On the other hand, a visual representation of the interrelationship of all brand elements allows for timely adjustments.

Modern sources cite different approaches to the construction of brand architecture, highlighting two main ones proposed by D. Aaker:

"House of Brands" is the most common among European and American companies. Its feature is the presence and functioning of separate brands that are interconnected and do not rely on the name and reputation of the company (the main brand).

"Branded House" (brand house) is popular in Eastern countries. It consists in the creation of mega-brands, when all products are produced and supplied under a single brand - the corporate brand.

The concept of "Branded House" is more popular for Ukrainian companies, but foreign brands represented on the market of our country receive more active development and integration when using the "House of Brands" system.

It is worth noting that each of these models has its advantages and disadvantages (table 1).

The choice of brand architecture depends on the market, the state of the company, the actions of competitors (including their possible retaliatory actions), distribution channels, collected marketing information, etc. Choosing one strategy does not always exclude the possibility of using another.

In practice, the brand portfolio structure of many companies is often a complex combination of different architectures.

The main questions to answer when starting to create a brand architecture are as follows:

- what is the connection of brands within the company? How strong should sub-brands be related to the parent brand?

- what is the composition of the brand portfolio? What products and services should get your brand?

- what is the brand hierarchy? What connections between the company's brands, divisions, services and products will be prioritized?

Table 1

Advantages and disadvantages of brand architecture models (Kasych & Rafalska, 2021)

Brand House	House of Brands
Advantages	
- convenience of brand perception by consumers: no need to remember a lot of information - spread of positive reputation throughout the manufacturer's products - synergy effect between portfolio brands - lack of internal cannibalism between by the company's brands (when the company's brands take away market shares not from competitors, but from each other) - the marketing budget is spent on one brand	- almost complete absence of the risk of loss of reputation due to the failure of one of the brands in the portfolio - avoiding unfavorable associations between brands (for example, if an economy brand appears in a portfolio with premium brands) - the ability to dominate several market niches thanks to clear advantages over competitors - the possibility of entering the market at the same time in several price categories to capture the largest share of the market - expanding the presence of the company's products on store shelves
Disadvantages	
- reputational risks: problems with one of products can damage all products companies - the danger of blurring the brand identity with its excessive expansion - the complexity of price differentiation in different countries - the need to constantly rejuvenate the corporate brand so that its identity is not affected	- lack of synergy between brands - the need to promote each portfolio brand separately, which requires higher costs - danger of cannibalism of brands within one portfolio - an excessive number of brands in the portfolio is dangerous due to dispersion of efforts, low market shares of individual brands and the impossibility of leadership in any of the segments

Brand building plays an important role in business development. A strong brand means stable positions in the market. Creating a successful brand architecture allows the company to improve business organization and increase productivity, and customers - to get a clearer picture of the brand. All this strengthens the company's position and opens up new opportunities for growth.

To determine the strategy of forming the brand portfolio architecture, it is worth analyzing three main criteria: analyze the portfolio, the target audience and the business as a whole. It is necessary to pay attention to existing and potential customers; check information about market trends, sales data, monitor advertising; conduct consumer surveys that will allow you to find answers to all questions.

Let's consider several strategies for the formation of the brand portfolio architecture, which were described by the authors Ostapchuk T.P., Pashchenko O.P. (Ostapchuk & Pashchenko, 2021). The first strategy is the partnership strategy. This type of strategy requires a more careful approach than creating or buying a new brand. This strategy is aimed at conquering markets where brands do not succeed individually. In this case, the attributes and advantages of one brand complement the characteristics of another.

A large number of brands underestimate the partnership strategy, although this strategy usually brings good financial results, and the relatively low risk makes it possible to introduce an existing brand to a new market and, thus, make a profit.

A successful partnership strategy creates a base for expanding the existing brand with a small investment, while in case of failure, the company may leave the market.

The second strategy is the strategy of consolidation. It is used when brand development does not meet the company's strategic goals (Ostapchuk & Pashchenko, 2021).

In this case, narrowing the portfolio of brands will make it possible to allocate organizational resources more correctly and clearly and ensure the implementation of more attractive and profitable brands.

This strategy makes it possible to get the necessary benefits from portfolio optimization. Removing or combining weak brands in the portfolio leads to a reduction in costs in marketing, production and sales.

The next strategy is the brand acquisition strategy (Ostapchuk & Pashchenko, 2021). Most often, the acquisition of a new brand leads to chaos in the entire portfolio. Before buying a brand, it is worth working out a strategy of brand relationships in an updated portfolio. Then the specified strategy will be appropriate and will make it possible to fill an empty place in the overall structure and help to improve the value of the company's brand portfolio.

For the Ukrainian market, where the development of various segments is still being formed, the creation of a new brand is a fairly easy option for improving the brand portfolio, since the costs of its formation and promotion in the domestic market are many times lower than in neighboring European markets.

A properly built brand architecture contributes to the high-quality positioning of the company on the market, achieving greater interaction with customers and business partners, reducing marketing costs, ensuring the consistency of the work of structural elements, creating and protecting the company's values, etc.

The next - the sixth stage of developing a brand strategy is the formation of alternative strategies for the development of the company's brand (brands) and the choice of the most acceptable alternative

If the business operates in a young market, the strategy should be more aggressive. If the market has reached the stage of maturity, then it is necessary to move in the direction of focused marketing.

Table 2 shows examples of market strategies: the strategy of deep market penetration; skimming strategy; displacement strategy; strategy of differentiated prices.

Taking into account the above strategies, the company can use different approaches in managing the brand portfolio, and use a different set of tools.

The seventh stage of forming a brand strategy is the development and implementation of appropriate marketing brand communications.

The complex of marketing communications is a single complex of communication components that unites participants, channels and means of communication, aimed at establishing and maintaining relations between the organization and the marketing environment within the framework of achieving marketing goals (Karmazinova, 2017).

Table 2

Approaches to brand portfolio management within the company's market strategies (Zmitrovych & Solntsev, 2018)

Strategy	Objectives strategies	Peculiarities of management approaches
Strategy of deep market penetration	The goal of the deep penetration strategy is to establish the company in the market, increase sales through the use of more aggressive marketing, which in turn will attract new customers and stimulate existing ones.	Using a full set of trademark types. Brand portfolio optimization.
Skimming strategy	Maximizing short-term profits	An economic approach is used, the goal of which is to maximize short-term operating profit. (short-term brand portfolio optimization is used)
Displacement strategy	Strengthening competitive positions, by changing the competitor's positions, or its complete displacement	Optimization of the portfolio of brands taking into account the needs and target audience of the competitor. Use of decoy brands and kamikaze brands.
Strategy of differentiated prices	It provides for the establishment of discounts or premiums to the average price level for different markets, their segments and consumers.	Defining the characteristics of segments. Determining the position of the company in segments (the most expensive among the cheap, the cheapest among the average, etc.)

From the standpoint of establishing a connection between the brand and the consumer, brand-marketing communication is a special tool for the interaction of the brand with the environment, as a result of which changes in the motivation and activity of people are foreseen, which contribute to the formation of the traditional image of the brand as a social object and stimulate the consumer before making a purchase. Brand-marketing communications can also be defined as a management tool that involves consumers and producers in communication, creates a large-scale social context, and is manifested in mass and interpersonal communication. Analyzing the impact of advertising on the development of brands, it is fair to consider the brand management communication system as one of the most important functional components of the branding process (Dybchuk & Dobrovolska, 2018).

The content of the communication appeal is directly embedded in the strategic goals of the company's marketing communication policy.

The goals reflect the desired results and are interconnected with the areas of their solution. So, the main marketing strategic goals for the company can be:

- formation of demand and attraction of new customers;
- increasing the level of brand awareness;
- creating a positive image of the company;
- growth in demand for the product, etc.

The development of a set of marketing communications consists in determining the goals, the budget, choosing a combination of the necessary means of communication, based on their cost, the type of advertised products, their advantages and disadvantages.

Brand marketing communications should be based on a certain type of market, a certain promotion strategy, the nature of the brand, the results of the analysis of the target audience, and also take into account the brand architecture. Thus, the system of brand-marketing communications for the promotion of an individual brand can combine almost any communications due to the need to establish a single connection with the consumer. A branched architecture complicates the process of communication and requires the definition of such communications that have the ability to establish multi-vector communication (print advertising, Internet advertising, etc.) (Dybchuk & Dobrovolska, 2018).

Brand marketing communications are directly implemented through advertising, PR, sales promotion, consumer promotion, sponsorship, personal selling, sales promotion, direct marketing, etc.

Determining the optimal combination of individual tools, the ratio between them and highlighting the priority ones depends on the nature of brands, distribution strategy, target audience, points of contact of potential consumers with certain brand marketing communications, and the consistent implementation of brand marketing communication plans supports the necessary positioning of brands, simplifies the process of their promotion and maximizes their effectiveness.

A systematic approach to the management of brand marketing communications in the general mechanism of managing the development and promotion of the brand ensures the achievement of the strategic goals of brand management.

The effectiveness of a brand is ensured by many factors that require integrated, focused management of touch points, starting with the product or service and ending with the management of distribution channels, advertising, Internet sites, language, organizational culture, etc. Communications is a means of managing the reputation of both a brand and a company. Each product range should contain flagship products that demonstrate the main value and main idea of the brand. Communication about such products is very important, because it allows you to reveal the meaning and purpose of the brand (Dybchuk & K. A. Dobrovolska, 2018).

Management of points of contact of brands with consumers should involve consideration of alternative combinations of brand-marketing communications, selection of optimal combinations through calculation of effectiveness and ongoing control of their application.

In branding, it is much more difficult to define the concept of effect, since the formation of a brand is connected with the creation of not only material, but also emotional and symbolic values. Therefore, the concept of effect in branding is multifaceted. Due to the complex nature of costs and results, when evaluating the effectiveness of branding, a set of branding effects should be considered.

The easiest way to determine the effectiveness of marketing brand communications is (Popova, 2020):

- comparing the volume of sales of goods before and after carrying out certain events of a communicative nature;

- by calculating the additional profit that the company hopes to receive or has already received thanks to measures of marketing brand - communications.

However, in practice, such calculations will be very inaccurate, because it is too difficult to single out the influence of marketing brand communications on the improvement or deterioration of activity, although the profit from them is easily calculated: it is the difference between the profit from the volume of sales of goods that is determined by marketing communications and costs on these brand communications.

M. Sherrington suggests evaluating the effectiveness of branding using a key performance indicator (Key Performance Indicator - KPI), which is tied to the organization's strategy and its specific vision of the market. Sherrington emphasizes the need to single out a dominant KPI, arguing that it is an effective way to focus a business on the right type of growth and to verify that the goals of that growth are being met. On the one hand, the simplification of the system of indicators aimed at adaptation to a specific market situation is justified. On the other hand, there are certain limits to simplification, and therefore, it is not always worthwhile to reduce such a complex and multifaceted construct as a brand to one dominant indicator. In addition, such an approach still requires constant monitoring of the strength (viability) of the brand and additional verification of the sufficiency of the selected dominant KPI, which may not simplify, but, on the contrary, complicate the evaluation system as a whole (Hryhorchuk, 2019).

In addition to market indicators, financial metrics of branding effectiveness should be used, which primarily include the return on investment in the brand (ROBI) and the assessment of the current value of the brand.

The Return on Brand Investments (ROBI) indicator reflects the effectiveness of investments in brand creation and development projects. Using this metric of branding effectiveness has a number of advantages (Hryhorchuk, 2019):

- serves as a simple criterion for comparing the effectiveness of alternative brand solutions;
- makes it possible to set priorities in the financing of brand projects;
- makes it possible to evaluate the effectiveness of the brand manager's work (the average ROBI indicator for a specific brand is compared with indicators for the organization as a whole and for individual brands of the brand portfolio).

The ROBI calculation formula looks like this: (Increase in gross revenue – Brand investment) / Brand investment.

The effectiveness of using one or another brand-marketing communication also depends on its relevance to the market (B2B or B2C), the type and architecture of the brand, the financial resources of the company, the strategic goal of promotion, as well as the optimal combination of individual tools, one or two of which are basic, and others are reinforcing or supportive.

The eighth stage of brand strategy development is related to the constant audit of the state of the company's brand(s) at all stages of the life cycle.

A brand audit is a thorough analysis that shows how the brand is performing today compared to its goals. The audit can be conducted at various stages of the brand's existence, experts recommend conducting it regularly so that the business remains successful and the demand for the product grows.

The purpose of a brand audit is to gain insight into where the brand is in its current state. A brand audit is a timely diagnosis of a potential problem, checking the main positions of the trademark, identifying problem areas, and determining market advantages. A brand audit helps not only to improve the quality of services, but also to strengthen its position in the market.

Conducting a brand audit allows you to look at the overall situation, which can serve as the basis for a long-term strategy. Whether benchmarking against competitors, considering rebranding, or simply needing to gain a broader overview of performance and positioning, conducting an audit will always have value. Brand audit helps the company to thoroughly study not only its position in the market, but also the market situation in general.

Brand audit includes the following stages (Audyt brendu):

- study of the motivation of the target audience and the reasons for the demand for the product or service;
- analysis of similar offers that exist on the market;
- analysis of positions of potential competitors;
- identification of problem areas in competitors' branding;
- detailed analysis of the company's marketing strategy;
- identification of currently existing problem areas in the company's branding;
- assessment of the potential and trends of market development and compliance of the brand with them.

If during the analysis of the brand it is found: too narrow target audience for the product or service offered by the brand; competitors do not allow the brand to develop, capturing other segments in this market; the reputation of the company's main brand is under threat, then this indicates an urgent need to improve the brand development strategy, optimize the company's work, focusing on market requirements and customer requests.

The ninth stage of brand strategy development is related to brand value assessment. It is worth noting that the evaluation of the value of the brand is a necessary condition for the continuous development of the company. Also, the evaluation of the value of the brand and its design are the main components of maintaining positions in the market.

Estimating the value of the brand is necessary to increase the efficiency of management of both the brand itself and the process of managing the company as a whole. Today, there are about forty different approaches to brand analysis and evaluation. At the same time, in addition to the official methods developed by scientists, some companies themselves develop their own methods for assessing the value of their brands (Zborovska & Zborovskyi, 2018).

Brand evaluation within the framework of the development of the company's brand strategy is carried out in two directions:

- evaluation of the value of the brand - to determine the effectiveness of the company's activities regarding the construction and development of the trademark;

- assessment of brand design - in order to identify the compliance of the current product design with market trends and the needs of the target audience.

Among the variety of methods and ways of assessing brand value, they can be reduced to three main methods (Otsinka vartosti Brenda):

1. Method of total costs. This method of evaluation involves the calculation of all costs for the creation and promotion of the product - costs for marketing research, development of brand design, its packaging, development of the company's corporate style, trademark registration, advertising budgets, etc. The total costs are then compared with the actual profit generated from brand sales.

2. Method of residual estimated value. According to this method, the following is subtracted from the total market value of the company:

- cost of material assets;
- value of financial assets;
- the value of intangible assets.

The balance is the value of the brand. This universal method has gained wide distribution, both among Western and domestic companies.

3. Method of total discounted added value. In this case, the value of the company's brand and the value of a similar product of an unknown brand are compared. The cost of creating and promoting the product is subtracted from the resulting cost difference, then the resulting result is multiplied by the projected sales volume of the brand for the discounted period.

In addition to the above approaches, in practical activities there is often a need to assess the subjective parameters of the brand. Namely:

1. Brand power – the ability of a brand to dominate other products in its segment. As a rule, a scale of values is used to evaluate this parameter. The obtained data are necessary, for example, if a noticeable increase in the price of the product is planned.

2. Harmony – compliance of the character and image of the trademark with the needs and expectations of the audience. The assessment of harmony should be carried out regularly, because the slightest inconsistency leads to unmanageability of the brand and a decrease in the efficiency of the company's activities.

3. The level of loyalty is a psychological factor that determines the consumer's perception of the product and the level of his commitment to this brand. This factor also determines the frequency of repeated purchases and the sensitivity of the consumer to the price of the product.

4. Degree of popularity - the indicator is defined as the percentage of the target audience that can remember the brand with or without hints. This parameter clearly reflects the effectiveness of marketing activities.

As for the second direction - evaluation of brand design, it refers to the comprehensive study and evaluation of the product in terms of: packaging design, logo and corporate style, form design, positioning concept, ease of remembering and recognizability of the trademark.

Practitioners emphasize two methods of evaluating brand design (Otsinka vartosti Brenda):

- expert assessment of design;
- design evaluation based on marketing research.

Expert design assessment consists of:

1. Evaluations of logo design and corporate style. In this context, diagnostics are carried out:

- compliance of the logo and corporate style with the ideology of the brand;
- color solutions;
- graphic elements;
- plastic fonts;
- the possibility of independent use of the logo;
- the possibility of adapting the corporate style to advertising media;
- possibilities of implementing corporate style on different materials.

2. Evaluations of packaging design, namely:

- perception of packaging design and its compliance with the positioning concept;
- dimensions, visual logo and text on the package;
- packaging architecture and graphics in comparison with competitors;
- color solutions and attractiveness of packaging for consumers;
- the correctness of the transmission of the specific differentiation of goods through packaging.

3. Form design evaluations. In this context, the following is analyzed:

- perception of the packaging form and its compliance with the positioning concept;
- attractiveness of the form for the consumer;
- ergonomics of the packaging form;
- disproportions and incorrect parts of the form;
- possibilities of improving the shape of the product.

Evaluation of brand design based on marketing research is carried out by testing the design on consumers, i.e. conducting marketing research:

- perception of brand design by consumers;
- compliance with positioning design;
- color solution;
- graphic style;
- compliance with the design of the company's image;
- the ability of design to stimulate product sales;
- associativity of brand design.

There are other methods of estimating brand value, but none of them are perfect. For example, the Interbrand company distinguishes 4 main stages of brand evaluation (Skilky mozhe koshtuvaty brend?).

1. Financial forecast: income generated by intangible assets (which the brand should bring in the future).

2. Evaluation of the role of the brand: the profit created exclusively by the brand, key factors of purchase demand and their dependence on brands.

3. Evaluation of brand strength: market, stability, leadership, support, trend, geography, protection;

4. Calculation of the value of the brand: the rate of risk specific to the brand, at which the projected income is discounted to its net present value.

The British brand consulting company Brand Finance offers a sequence of four steps for evaluating the value of a brand:

1. Segmentation of brand customers.

2. Financial and marketing forecasts and estimation of future cash flows based on them.

3. Definition of the BVA index (a coefficient that allows you to isolate part of the cash flows generated by the brand).

4. Brand risk assessment.

At Brand Finance, beta evaluation begins with an expert evaluation of "brand strength" (total 100 points, 0−10 for each line): existence of the brand on the market; efficiency of distribution; market share; market position; rate of sales growth; price premium; price elasticity; marketing expenses; level of advertising visibility; knowledge of the brand.

Brand value changes over time and depends on many factors, but it is an indicator of the company's success.

Thus, determining the value of the brand enables the company to attract the necessary financial resources, form the optimal capital structure of the enterprise, etc.

Knowing and understanding the value of the brand, the company owner can objectively evaluate the performance of the company's marketing department in order to shape and improve consumer perception of the brand.

The final, tenth stage of the development of the company's brand strategy is the implementation of the chosen strategy, the evaluation of the competitiveness of the brand and the company, and the development of appropriate planned measures.

Therefore, based on the results of the research, we can conclude that the use of modern branding technologies and evaluation of the market position of the brand when determining the ways of its strategic development requires the conduct of constant marketing research, in particular consumer preferences, motives for making purchases, because the brand occupies a stable position only in that case, if it meets the needs of the market (target audience). Bringing the brand's internal capabilities into line with external requirements is an integral part of building a strategy for its development.

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4.3. TERMINOLOGICAL FOUNDATIONS OF FOREIGN ECONOMIC ACTIVITY

Effective management of Ukrainian enterprises in market conditions requires their constant integration into the global economic space. This became especially relevant when Ukraine applied for membership in the European Union on February 28, 2022, thereby confirming its unconditional European integration. Under such circumstances, the need for systematic theoretical and practical knowledge concerning methods, processes of execution and management of foreign economic activities of socio-economic systems is growing.

Foreign economic activity, in contrast to others, is extremely multifaceted. For a better understanding of the essence of this activity and the choice of the most effective methods and methods of its implementation, it is necessary, in our opinion, first of all to study in detail the main definitions of the specified activity, as they in a concentrated form explain not only the essence, but also the structural content of the process of practical implementation of the definition. This is what the presented research is devoted to.

In order to carry out theoretical research on the essence of the main categories of foreign economic activity, we analyzed the scientific works of domestic and foreign scientists, such as: Bahrova, I.V., Riedina, N.I., Vlasiuk, V.Ie. & Hetman. O.O. (2011); Didkivskyi, M.I. (2006); Drozdova, H.M. (2002); Dunska, A.R. & Kuznietsova, K.O. (2022); Denysenko, M.P., Panchenko, V.A., Shaporenko, O.I. & Fedorak, V.I. (2020); Khrupovych, S.Ie. (2017); Kyrychenko, O.A. (2008); Kovalevska, A.V. (2002); Kozak, Yu.H. (2019); Kredisov, A.I. ed. (2002); Mazaraki, A.A. (2012); Mashtalir, Ya.P., (2009); Mochernyi, S.V. (2005); Ostapchuk T.P. ed. (2021); Poliakova, Ya.O. (2018); Shkurupii, O.V. ed. (2012); Tulchynska, S.O., Kyrychenko, S.O. & But, A.V. (2018) and others. Definitions given by international organizations, such as: The World Trade Organization (WTO), The United Nations Industrial Development Organization (UNIDO), The United Nations Conference on Trade and Development (UNCTAD), The International Trade Centre (ITC), The International Chamber of Commerce (ICC), The International Monetary Fund (IMF) have been analyzed.

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However, until recently, due attention was not paid to the demarcation and definition of the essence of the main concepts, despite the work done in the field of foreign economic activity. In most cases, the interpretation given in the legislative acts was sufficient. In our opinion, the definition of an economic or management category should include not only the essence itself, but also the structural components of the process of its implementation. This determines the relevance of our research.

Modern conditions in which socio-economic systems of all levels currently exist are characterized by the strengthening of globalization processes. In such conditions, business entities have new opportunities to use external factors of their development, such as: attraction of financial and technological resources from abroad, application of production and management experience, expansion of sales markets, etc. Realization of these opportunities is possible through the activation of foreign economic activity. For the effective performance of this activity, it is important to understand the essence of the concept of "foreign economic activity" (FEA). Table 1 shows the interpretation of the essence of this concept from legislative acts in the field of foreign economic activity and the definition of scientists.

Table 1

The essence of the concept of "Foreign Economic Activity" in normative acts and works of domestic scientists

Source / authors of interpretations	Interpretation of the concept
The Law of Ukraine "On Foreign Economic Activity"	Foreign economic activity is the activity of economic entities of Ukraine and foreign economic entities, as well as the activity of state customers for defense orders in cases defined by the laws of Ukraine, built on the mutual relations between them, which takes place both on the territory of Ukraine and beyond its borders
The Economic Code of Ukraine	1. Foreign economic activity of economic entities is economic activity, which in the process of its implementation requires crossing the customs border of Ukraine with property and/or labor. 2. Foreign economic activity is conducted on the principles of the freedom of its subjects to voluntarily enter into foreign economic relations, to carry them out in any forms not prohibited by law, and equality before the law of all subjects of foreign economic activity. 3. The general conditions and procedure for conducting foreign economic activity by business entities are determined by this Code, the law on foreign economic activity, and other normative legal acts. 4. Foreign economic activity also includes the activity of state customers from the state defense order in cases defined by the law of Ukraine.
Bahrova, I.V. (2011)	Foreign economic activity is the activity of economic entities of Ukraine (most often enterprises) and foreign economic entities (foreign enterprises), which is based on mutual relations and is carried out either on the territory of Ukraine or outside its borders.

Source / authors of interpretations	Interpretation of the concept
Kovalevska, A.V. (2002)	Foreign economic activity is a special branch of theoretical and practical knowledge related to the organization and technique of conducting international commercial operations in the process of international exchange of material values and services, which arises only under the conditions of the inclusion of a non-national counterparty in the multi-stage cycle of the production process.
Mashtalir, Ya.P. (2009)	Foreign economic activity is a set of foreign economic operations in the field of economic activity, which the enterprise carries out with the aim of obtaining profit through the creation and realization of competitive advantages as a result of entering the world market.
Mochernyi, S.V. ed. (2005)	Foreign economic activity - the sphere of economic activity of enterprises, firms, companies and the state, related to foreign trade, foreign loans and investments, implementation of joint projects with other countries, etc.

In the definition of foreign economic activity, given in the Law of Ukraine "On Foreign Economic Activity", only foreign economic activity subjects and the place of performance of this activity are defined, and nothing is said about the types of activity.

In the Economic Code of Ukraine, foreign economic activity is interpreted in four points, and the definition applies, to a greater extent, to economic entities, and not to the process as a whole. It also defines economic activity in general without specifying the directions of this activity. All the definitions given in the Code explain foreign economic activity differently, there is no holistic understanding of this process.

In the specialized scientific literature related to foreign economic activity, issues regarding the interpretation of the essence of this concept are also considered.

Thus, in the work "Foreign economic activity of enterprises" (Bahrova, Riedina, Vlasiuk, & Hetman, 2011), the definition of foreign economic activity has a more general nature, which reflects only the participants of the process and does not include possible types of activities between them.

Kovalevska, A.V. (2002) in her definition highlights that the conditions for the inclusion of a non-national counterparty in the multi-stage cycle of the production process are key to the performance of foreign economic activity, and not the process of performance of this activity itself.

In defined by the author Mashtalir, Ya.P. (2009) foreign economic activity is identified with the execution of foreign economic operations on the world market only at the micro level.

In the economic encyclopedic dictionary edited by Mochernyi, S.V. (2005) foreign economic activity is considered only as an economic activity and concerns the macro and micro levels.

We also analyzed the definitions of foreign economic activity of international organizations. According to United Nations Conference on Trade and Development (UNCTAD), foreign economic activity refers to "the operations of national producers that are carried out beyond the national borders, as well as transactions with foreigners". This definition encompasses a wide range of economic activities, including international trade, foreign direct investment, international financing, and the transfer of technology and know-how across borders. The International Chamber of Commerce (ICC) defines international economic activity as "the conduct of commercial transactions between parties located in different countries". This includes the import and export of goods and services, cross-border investment, and the transfer of technology and intellectual property. The International Monetary Fund (IMF) uses the term "international transactions" to refer to foreign economic activity, which it defines as "transactions between residents of one country and those of another country".

The World Trade Organization (WTO) does not provide a single, official definition of the term "foreign economic activity". However, the WTO does recognize the importance of international trade and investment as part of global economic activity, and it works to promote and regulate international trade through its agreements and dispute settlement mechanisms.

It should be noted that in none of the definitions studied by us was reflected the mega- and macro-levels, that is, the fact that the participants in foreign economic activity are states in the form of legislative and executive power and directly international organizations.

The performed analysis of the essence of the concept of "foreign economic activity" allows us to draw conclusions that it is appropriate to differentiate the interpretation of this term at the level of the process of performing this activity and at the level of economic entities of different levels, that is, who and how performs this activity. In our opinion, in the first case, the definition of foreign economic activity from the Law of Ukraine "On Foreign Economic Activity" should be used as a basis, in the second - its definition in the Economic Code of Ukraine. On the basis of the above studies, we think that *foreign economic activity* is the activity of international organizations, states and business entities of different countries to perform foreign economic operations of innovation, investment, financial and trade direction on mutually beneficial terms in compliance with current legislation, as well as their participation in international distribution and cooperation of labor to ensure the development of national socio-economic systems at the macro and micro levels.

One of the main subjects of foreign economic activity is an enterprise. World practice shows that about 85% of foreign economic operations are carried out by enterprises, firms, organizations, and 15% by ministries, agencies, and business unions. According to the Economic Code of Ukraine, an enterprise is an independent business entity created by a competent state authority or local self-government body, or by other entities to meet public and personal needs through systematic production, research, trade, and other economic activities.

The external economic activity of the enterprise is a component of the general activity, and therefore, interconnected with its development strategy. At the same time, foreign economic activity is specific, which consists in the fact that it is carried out at a different, international level, in interaction with business entities of other countries. The foreign economic activity of the enterprise is based on the possibility of obtaining an economic effect based on the advantages of the international division of labor, international business relations (Kozak, 2019).

According to the Economic Code of Ukraine, the foreign economic activity of an enterprise is the economic activity of economic entities, which in the process of its implementation requires the crossing of the customs border of Ukraine with property and (or) labor. Foreign economic activity also includes the activities of state customers from the state defense order. The Law of Ukraine "On Foreign Economic Activity" defines this concept as the activity of economic entities of Ukraine and foreign economic entities, as well as the activity of state customers on defense orders in the cases specified by the laws of Ukraine, built on the relationship between them, which has place both on the territory of Ukraine and outside its borders. This definition is followed by the majority of Ukrainian scientists in the field of foreign economic activity (Bahrova ed., 2011; Denysenko, Panchenko, Shaporenko & Fedorak, 2020; Khrupovych, 2017). In addition, Khrupovych, S.Ie (2017) adds that the purpose of this activity is to effectively use the advantages of the international division of labor. However, such a definition focuses only on the entities of the FEA and the place of performance of this activity, without taking into account the types of activities.

Shkurupii, O.V. and others in the work "External economic activity of the enterprise" (2012) define the foreign economic activity of the enterprise as a sphere of economic activity connected with international production and scientific and technical cooperation, export and import of products, entry of the enterprise into the foreign market. Tulchynska, Kyrychenko & But in the work "Obstacles to the development of foreign economic activity of Ukrainian enterprises" (2018) - as a separate type of economic relations, which is based on production integration and cooperation, activities on international markets of goods and services, implementation of import and export operations. At the same time, the authors note that the main form of organization of such relations between individual enterprises consists in drawing up and observing agreements between partners from different countries. Such cooperation gives entrepreneurs the opportunity to use the advantages of international cooperation, which in turn stimulates their active development. Didkivskyi M.I. (2006) considers the foreign economic activity of the enterprise not only as a component of the economic activity of the enterprise, but also as an important factor of economic growth, creating prerequisites for more intensive development of integration processes at the micro level.

The International Trade Centre (ITC) defines foreign (international) economic activity of the enterprise as «the business activities of an enterprise that involve cross-border exchanges of goods, services, capital, and technology». This includes international trade, foreign direct investment, and the transfer of technology and know-how. The UNCTAD, The United Nations Industrial Development Organization (UNIDO) defines foreign economic activity of the enterprise as «the conduct of commercial activities by enterprises in foreign markets, including export and import of goods and services, foreign direct investment, and the transfer of technology and knowledge». The WTO defines foreign economic activity of the enterprise as «the conduct of commercial activities by enterprises across national borders, including trade in goods and services, foreign direct investment, and the transfer of technology». The IMF defines foreign economic activity of the enterprise as «the conduct of economic activities by enterprises across national borders, including trade in goods and services, foreign direct investment, and international financial transactions». These definitions highlight the importance of foreign economic activity for enterprises and the various forms it can take, such as international trade, foreign direct investment, and technology transfer. They also emphasize the need for effective management practices to successfully engage in such activities.

Summarizing the conducted research and analyzing in detail the Law of Ukraine "On Foreign Economic Activity", which reflects the subjects and types of foreign economic activity, according to the authors, *foreign economic activity of an enterprise* is an equal type of economically justified economic activity that is carried out in an international environment and relates to the implementation of export - import operations on foreign markets, scientific-technical and scientific-production cooperation with foreign partners, international financial and credit operations, organization of joint business activities between foreign economic entities and other types of activities provided for by relevant legislation.

To ensure the effectiveness of foreign economic activities at all levels, effective management of these activities is also extremely important. Management of foreign economic activity is a type of social management related to the functioning of national and foreign socio-economic systems. Depending on the level of such management, the essence of the management of foreign economic activity is interpreted in different ways (Poliakova, 2018), such as:

- management of the enterprise's production, economic and commercial activities related to its introduction to the foreign market, to the external international environment with the aim of more fully using external (international) factors of economic growth;
- comprehensive research and modeling of the international environment in combination with established interaction of all divisions and officials of the organization / institution in the interests of productive achievement of defined foreign economic strategies;
- systemic impact on the object, i.e. production structures, firms, organizations, groups of people with the aim of effective distribution of resources, ensuring consistency in work and achieving the final result in the field of foreign economic activity.

The given interpretations of the essence and, as a result, of the content of this category indicate that the management system of foreign economic activity provides for a close mutually beneficial interaction of the participants of this process in terms of coordinating their interests in the field of foreign economic activity.

The United Nations Industrial Development Organization (UNIDO) defines management of foreign economic activity as "the process of planning, organizing, directing, and controlling the economic activities of a business that are carried out beyond the borders of its home country". This includes the development of international marketing strategies, management of cross-border supply chains, and coordination of international financial transactions. The International Chamber of Commerce (ICC) defines management of foreign economic activity as "the process of organizing and directing the economic activities of a business that involve cross-border transactions". This includes the development of international marketing plans, management of supply chain risks, and coordination of international financial transactions.

According to the authors, it is important to understand the integral system of management of foreign economic activity (MFEA) to characterize the levels of this system, which is implemented at the mega, macro, meso, and micro levels. Let's consider in more detail the characteristics of the management of foreign economic activity at the specified levels (table 2).

Table 2

Characteristics of management levels of foreign economic activity

The level of MFEA	Level representation	Goal	Task
Mega level	Interstate and non-governmental organizations, international organizations for the regulation of world trade and monetary and credit and financial organizations, etc.	Formation of a single foreign economic space and ensuring balanced development of the world economy	Taking into account when performing foreign economic activities: cyclical processes of the development of the world socio-economic system; the results of the analysis of trends and dynamics of the development of global markets; trends in the development of foreign economic activity as a subsystem of the world economy
Macro level	The state level of foreign economic activity management, which is represented by relevant state institutions that regulate the process of foreign economic activity, non-state institutions of foreign economic activity management, financial and credit and banking institutions	Creating conditions for the formation and implementation of the export potential of subjects of foreign economic activity on foreign markets to ensure their own development and the development of the national economy	Formation of the legislative framework for foreign economic activity and stimulation of business entities for this activity. Formation of an effective commodity and geographical structure of the country's exports and ensuring a positive balance of payments
Meso level	The level of local executive and administrative bodies, territorial subdivisions of bodies of state regulation of foreign economic activity	Deepening the specialization of the region in the state division and cooperation of labor, creating a favorable investment climate for the introduction of innovative technologies to ensure regional development	Stimulation of foreign economic activity of regional economic entities and promotion of their innovative and investment activities for the formation of export potential
Micro level	Individuals, legal entities and their associations that carry out business activities and are registered in Ukraine and have a permanent location on its territory	Formation and expansion of the foreign economic potential of subjects of foreign economic activity	Monitoring of foreign markets using modern information technologies; development of promising forms and types of foreign economic activity; optimization of the interaction of innovative and informational components of the export potential

Source: generated by the authors using (The Law of Ukraine "On Foreign Economic Activity"; The Economic Code of Ukraine; Poliakova, Ya.O., 2018)

The management of foreign economic activity is based on principles that can be conditionally combined into the following groups: general, specific and national. General principles include those observed by all participants in international business relations, namely: scientificity, systematicity, mutual benefit. Specific principles are prescribed and established in international legal acts and are mandatory for all parties. National principles are prescribed in the legislative acts of the countries relating to foreign economic activity. In Ukraine, they are prescribed in the law "On foreign economic activity" and relate to:

– the sovereignty of Ukraine in the implementation of foreign economic activity;

– freedom of foreign economic entrepreneurship;

– legal equality and inadmissibility of discrimination, i.e. equality before the law of all subjects and objects of foreign economic activity;

– the supremacy of the law, which provides for strict compliance with the laws of Ukraine in the field of foreign economic activity;

– protection of the interests of subjects and objects of foreign economic activity;

– equivalence of exchange, inadmissibility of dumping, i.e. sale of goods at prices lower than contract prices on international commodity markets, and others.

The management system of foreign economic activity of Ukraine at the macro and meso levels includes: Verkhovna Rada of Ukraine; Cabinet of Ministers of Ukraine; National Bank of Ukraine; Ministry of Economic Development, Trade and Agriculture of Ukraine; State Customs Committee of Ukraine; Antimonopoly Committee of Ukraine; local councils of people's deputies of Ukraine and their administrative bodies.

The managed management system of foreign economic activity of Ukraine at the micro level includes:

- natural persons, entrepreneurs and legal entities, associations - citizens of Ukraine, foreign citizens, stateless persons who have civil legal capacity and legal capacity in accordance with the laws of Ukraine and permanently reside in the territory of Ukraine;

- structural units of foreign objects of economic activity, which are not legal entities according to the laws of Ukraine, but have a permanent location on the territory of Ukraine;

- other organizations of economic activity provided for by the laws of Ukraine.

Based on the above, the author's definition of the *management of foreign economic activity* is formulated as a complex, balanced multi-level system of managing foreign economic activity, based on general, specific and national principles, the appropriate legal framework and aimed at ensuring the sustainable development of world and national economies at the expense of the foreign economic sector by creating favorable innovation-investment, production and economic conditions for subjects of foreign economic activity regarding the formation of competitive export potential and its implementation on foreign markets.

Next, we will consider the micro-level of management of foreign economic activity, namely the level of business entities of foreign economic activity, and to a greater extent this will apply to enterprises. The efficiency and competitiveness of enterprises in foreign markets depend on the management decisions made. In a broad sense, management is the science of the theory of production management, which is oriented, firstly, to the person as the main source of increasing labor productivity, and secondly, to the implementation of objective economic laws and the coordination of economic interests. In a narrow sense, management is a process aimed at the effective use of resources to achieve organizational goals in conditions that are constantly changing (Shatun, 2006, c. 9).

Enterprise management includes management of human resources, means of production, material resources, finance and information systems. The management of foreign economic activity consists in the fact that this type of management is an integral part of the general management of the enterprise, which has its own characteristic features: a specific goal, tasks and functions that should be taken into account when performing foreign economic activity.

According to Ukrainian scientists, the management of the foreign economic activity of the enterprise is: a management system that covers the production, economic and commercial activities of the enterprise, and foresees its activity in foreign markets and aims at the full use of external factors for effective activity (Drozdova, 2002); purposeful, systematic management of foreign economic activity to ensure stable economic growth and increase the competitiveness of the enterprise in the long term both on the domestic and foreign markets, effectively using external (international) factors of economic growth (Mazaraki, 2012); systemic influence on the object, that is, production structures, firms, organizations, groups of people with the aim of effective distribution of resources, ensuring consistency in work and achieving the final result in the field of foreign economic activity (Kredisov, 2002); complex research and modeling of the international environment, which is combined with divisions and officials of the company, which have an established interaction among themselves for productive achievements, which are provided for by certain foreign economic strategies (Kyrychenko, 2008).

Taking into account the opinion of scientists, we determine that the management of foreign economic activity is connected with the application of general ideas and concepts of management in all forms of foreign economic activity, with increased influence of: the external sphere and the international level; political, economic, legal and cultural conditions of partner countries; the presence of not only enterprises in the role of business entities of foreign economic activity, but also states with their own foreign economic policy. Accordingly, the essence of the management of foreign economic activity is found in the management mechanism as a whole and includes: goals, principles, management functions; enterprise management structure; management methods; management process; value orientations in decision-making; incentive system, etc. In addition, according to Dunska, A.R. & Kuznietsova, K.O. (2022) the essence of the management of foreign economic activity consists in: comprehensive research, modeling of the international environment, established interaction of all divisions and officials of the organization/institution for the productive achievement of defined foreign economic strategies.

The International Trade Centre, The United Nations Conference on Trade and Development defines management of foreign economic activity of the enterprise as «the process of managing the entire value chain of a business that involves cross-border exchanges of goods, services, capital, and technology». This includes the development of international marketing plans, management of cross-border logistics and supply chains, and coordination of international financial transactions. The European Bank for Reconstruction and Development defines management of foreign economic activity of the enterprise as «the process of planning, organizing, directing, and controlling the commercial activities of a business that involve transactions with foreign entities». This includes the development of international trade strategies, management of foreign currency risks, and coordination of cross-border investments and joint ventures. These definitions show the various aspects of managing the economic activities of enterprises that involve cross-border transactions and highlight the importance of effective management practices for the success of such activities.

Thus, according to the authors, the *management of the foreign economic activity of an enterprise* is a purposeful, complex system of influence on the activity of an enterprise operating in the international environment, with the help of the effective implementation of management functions adapted to external conditions, in order to achieve defined foreign economic goals.

The main tasks that must be performed by the management in order for the enterprise to work effectively are: determination of the specific goal and mission of the organization, regardless of its type (a business entity of entrepreneurial activity or the public sector, etc.); ensuring labor productivity and orienting employees to achieve a certain result of activity; managing impact on society and social responsibility (Ostapchuk, ed, 2021). The main task of an enterprise engaged in foreign economic activity is the formation of such a management system that would provide it with high operational efficiency, a high level of competitiveness and a stable position on international markets. Thus, the goal of management of foreign economic activity is the formation and use of competitive advantages of the enterprise due to the possibility of doing business in different countries using their economic, social, demographic and cultural features (Dunska, & Kuznietsova, 2022). The tasks are:

- study of factors and elements of the international environment (foreign partners, price level, customs rules, international norms and customs, etc.);
- planning a strategy for the development of foreign economic activity taking into account competitive advantages;
- organizing and ensuring the effective interaction of the company's divisions in order to implement the chosen foreign economic strategy;
- motivation of personnel involved in foreign economic activity;
- control and ensuring the successful foreign economic activity of the enterprise through the implementation of regulatory measures;
- creation of prerequisites for stable economic growth and increasing the competitiveness of the enterprise in the long term in the foreign market.

Given that modern business conditions are characterized by a significant degree of uncertainty, entrepreneurship is always associated with risk: there is always a risk in management, since the socio-economic system develops cyclically; the external environment is dynamically changing in the context of aggravation of economic and political conflicts, globalization, the ratio of managed and unmanaged processes. Management in crisis requires special approaches, special knowledge, experience and art. Therefore, in the conditions of uncertainty, anti-crisis management of foreign economic activity becomes especially relevant, the purpose of which is to preserve the solvency and financial stability of the enterprise, to provide an impetus for its further development due to the adjustment of the strategy of foreign economic activity, increasing sales on foreign markets, improving international marketing, etc.

An enterprise that carries out foreign economic activity has an increased influence of the external environment; working on foreign markets, additional adverse phenomena or risks arise, which are already related to the political and economic level of development of other states and interstate unions. Therefore, anti-crisis management of foreign economic activity has its own specifics. In this case, the company's management develops a special policy of anti-crisis management in the field of foreign economic activity, which is part of the general strategy of the company's development. The specified policy consists in: development of systems and methods of preliminary diagnosis of external environmental conditions, the threat of bankruptcy and the application of mechanisms for the financial recovery of the enterprise, which will ensure its exit from the crisis state, using management and resource potential. At the same time, the policy of anti-crisis management in the field of foreign economic activity should pay special attention to the possible channels of threats to the activity of enterprises, because foreign economic risks are special categories of risks that occur only when the firm carries out foreign economic operations. The policy of anti-crisis management in the field of foreign economic activity is aimed at achieving the following goals:

- Organizational - improvement of the system of management of the enterprise's foreign economic activity, change of the enterprise's management;
- Production - expansion of the assortment of export products/services, improvement of the quality of export products, reduction of production costs, production of new types of products;
- Financial - ensuring the appropriate level of profitability, solvency, liquidity, profitability of export-import activities, effective management of cash flows;
- Personnel - formation of favorable working conditions for the company's personnel and reduction of social and psychological tension in the workforce during the crisis;
- Sales - formation of an effective system of international logistics, differentiation and optimization of sales channels, reduction of sales costs, access to new markets;
- Marketing - differentiation, improvement of the marketing complex taking into account the national characteristics of consumer behavior in foreign markets (product, price, distribution, promotion, etc.);
- Innovative - innovative development of the enterprise's export potential.

In the work "Anti-crisis management of foreign economic activity as an integral part of anti-crisis management of Ukrainian companies" (Rakhman & Sokolova, 2017), anti-crisis management of foreign economic activity is understood as a set of methods and tools for managing the foreign economic activity of enterprises, which involves adopting tough and clear management decisions to increase the efficiency of the company's activities on the foreign market in conditions of uncertainty and a high degree of risk. The authors interpret *the anti-crisis management of the enterprise's foreign economic activity* as a management system aimed at timely prevention, detection and elimination of the crisis using methods and tools for maintaining solvency, increasing the efficiency of the enterprise's activities on the foreign market in conditions of uncertainty and a high degree of risk.

So, we have researched such basic definitions of foreign economic activity as: foreign economic activity, foreign economic activity of an enterprise, management of foreign economic activity and management of foreign economic activity of an enterprise. The definitions that were presented in the legislative acts of Ukraine and the author's definitions of the specified definitions formulated by scientists were analyzed. The conducted research allowed us to thoroughly understand the basic definitions relating to the essence of foreign economic activity and its management system at the macro and micro levels, to determine common and different, detailed and general interpretations. As a result, we formulated the author's definitions of the specified categories, which, in our opinion, fully reflect not only the essence and content of the categories of foreign economic activity, but also delimit the concepts. In the definitions of the considered categories, we tried to explain not only their main substantive essence, but also to indicate the structural component of the process of implementing a specific definition, i.e., we used a comprehensive approach that allowed us to achieve, from our point of view, the specified goal of the publication. In addition, the work updates the importance of understanding the specifics of anti-crisis management of foreign economic activities of enterprises in conditions of uncertainty. The obtained results will allow to continue further research in the direction of analysis of methods and processes of conducting foreign economic activity, subjects of this activity.

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4.4. CONTROLLING IN THE ANTI-CRISIS MANAGEMENT SYSTEM OF THE ENTERPRISE

The modern business environment is characterized by an increased level of uncertainty, increased global competition, and crisis conditions caused by both exogenous and endogenous factors. It is under these circumstances that the search for new approaches to the development and practical implementation of enterprise management systems based on modern requirements and principles is urgent. In this regard, interest in such a management concept as controlling is growing. Controlling is a management subsystem that coordinates the activities of the entire management system. The main focus is planning and control of the activities of the structural divisions of the enterprise and coordination of the activities of the enterprise management system, i.e. management of management (Bauer 1.G., 2015).

In order to agree with such a statement, it is necessary to consider the possibilities of controlling in more detail. The main reason for the emergence of controlling in the theory and practice of management is the need for systematic coordination of the processes of managing the business processes of enterprises. The practical implementation of controlling at foreign enterprises made it possible to increase the level of coordination of the processes of planning, control, accounting, analysis and regulation, to create appropriate methodical and information support, to improve the quality of management decisions and the efficiency of the management system as a whole (Bauer 1.G., 2015). All this is extremely important for enterprises operating in crisis conditions.

Despite the fact that the first mentions of controlling are found as early as the 21 th century, there is still no clear understanding of this category, its functional features, which are constantly transformed under the influence of the development of scientific research and changes in the state of development of socio-economic systems.

The existing theoretical and practical studies on controlling do not distinguish the peculiarities of its use in the management of enterprises in conditions of uncertainty, conditions of crisis, which are characteristic of a market economy. Thus, in the field of anti-crisis management, which is aimed at overcoming the crisis, more attention is paid to the directions of such management, and less to technologies, tools for achieving the goals of enterprise management in crisis conditions.

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Currently, controlling, as an integral part of the management system of companies, is widely used in economically developed countries. There are practically no companies where the use of controlling to one degree or another would not serve as a guarantee of their success on the market. This is due to the fact that controlling acts as an effective tool, represents real business chances for confrontation in the competition. Managers practicing in business often consider controlling as an important component of management and equate it with a kind of navigational equipment of this management, which allows better orientation and survival in market conditions.

In Ukraine, the concept of controlling, unfortunately, has not received proper practical use, perhaps this is due to the fact that theoretical research by domestic scientists has not been sufficiently developed, and this, in turn, has led to passive practical implementation. In addition, the introduction of controlling at Ukrainian enterprises for some reason was limited only to the creation of an appropriate structure, which would require additional costs. The option to consolidate the powers related to the implementation of controlling at the enterprise to other persons, for example, managers of structural units or analysts, was not distributed. Let's consider the possibilities and advantages of controlling in more detail.

Let's start with the essential characteristics of controlling. There are many definitions of this concept. Their range varies from the European version of management accounting to the recognition of controlling as a management philosophy. The variety of approaches to determining the content of controlling shows that it is an actual direction that is developing in the theoretical field and practice of managing the activities of business entities.

Controlling was first and actively used within the German school of business administration. The study of the essence of this definition, which was formulated by foreign and domestic scientists and practitioners, convinces that controlling to the greatest extent corresponds to the Ukrainian word "coordination" and is one of the effective means of successful functioning of the enterprise. Table 1 shows the interpretation of controlling by authors who are considered the founders of controlling, who started with its practical implementation, these are representatives of the so-called German school of business administration.

Comparing and analyzing the content of the definitions given in Table 1, it can be noted that controlling is the most important means of successful operation of the enterprise, because it:

- coordinates the activities of the enterprise and this is its main goal;

- provides the necessary information for making management decisions by integrating the processes of collection, processing, preparation, analysis and interpretation of information;

- provides information for managing labor and financial resources;

- ensures the survival of the enterprise at the levels of strategic and tactical management;

- contributes to the optimization of the "revenue - expenses - profit" dependence.

Table 1

Interpretation of the concept of "controlling" by the authors of the German school of business administration

Author	Interpretation of the essence of controlling
Mann R., Mayer E. (2000)	Controlling: - a system of managing the process of achieving the final goals and results of the company's activities - the enterprise's profit management system - a system of regulating costs and activity results, which helps in achieving the company's goals
Weber, J. (1995)	Controlling is a coordination tool, an element of social system management, which performs the function of supporting management in the process of solving the general task of coordinating the management system with an emphasis on the tasks of planning, control and informing
Horvath P. (2009)	This is a system of adjusting the enterprise to coordinate, respond and adapt to changing external and internal conditions, with the aim of achieving the set goals, i.e. to contribute to the implementation of result-oriented enterprise management
Reichmann T. (2011)	Controlling is focused on achieving results. The main task of controlling is the collection and processing of information in the process of development, coordination and control of the implementation of plans at the enterprise
Kupper H.U (2005)	This is the coordination of the management system at the enterprise, contributes to the achievement of not one goal of the enterprise, but a system of goals, the main role is assigned to valuable goals
Hahn D. (2001)	Controlling as an element of management of the social system, performing its main function of supporting management in the process of solving the general task of coordinating the management system with an emphasis primarily on the tasks of planning, control, and informing

Let's consider how domestic scientists interpret the definition of "controlling" (table 2). As can be seen from the information in Table 2, the modern understanding of controlling is quite diverse, there are different views on the content, functions and goals of controlling. The interpretation of the concept of "controlling" by different authors is similar in that controlling should contribute to the achievement of the company's goals, and the differences are in determining how this will happen.

Summarizing the opinions of domestic scientists (table 2), as well as considering the view of controlling and other researchers, we understand that it can be considered as:

- the concept of effective enterprise management to ensure long-term existence;
- a complex structure that combines the following elements: setting goals, planning, accounting, control, analysis, management of information flows and development of recommendations for making management decisions;
- the management system of the process of achieving the final goals and results of the enterprise's activity;
- the method, the content of which is to increase the efficiency of the management system by constantly comparing current processes in the company with the expected result, evaluating deviations and updating goals;
- a cross-functional management tool that facilitates the process of making management decisions at the enterprise with the help of purposeful processing and supply of information.

Table 2

Interpretation of the concept of "controlling" by domestic scientists

Author	Interpretation of the essence of controlling
Tereshchenko O.O. (2007)	- a special, self-regulating system of methods and tools, which is aimed at functional support of enterprise management ... and includes information provision, planning, coordination, control and internal consulting - a system for determining goals, forecasting and planning mechanisms and tools for achieving these goals, as well as checking how successfully the goals have been met
Morozov D.M. (2005)	- a self-organizing, purposeful planning and control system that ensures integration, consistent organization and coordination of phases of the management process of functional areas, organizational units and projects of the enterprise
Tsygylyk I.I., Mozil O.I., Kirdyakina N.V (2005)	- a system of constant assessment of all aspects of the enterprise, its divisions, managers, employees from the point of view of timely and high-quality implementation of the tasks of the strategic plan, detection of deviations and taking urgent measures, so that the planned milestones are achieved in case of any changes in the economic situation
Petrenko S. N. (2004)	- synthesis of elements of accounting, analysis, control, planning, the implementation of which ensures the development of alternative approaches during operational and strategic management of the process of achieving the ultimate goal and results of the enterprise

That is, controlling is the concept of managing the future state of the enterprise, which can be represented as the coordination of the dynamics of the development of the entire socio-economic system and its components, which is oriented to the desired state of development in the future.

The modern science of control and management needs additional systematization of the conceptual principles of controlling in order to develop scientific and methodological principles for improving the efficiency of management and functioning of enterprises in conditions of uncertainty. We will analyze the results of scientific research of modern domestic scientists, which relate to issues of theoretical content and practical use of controlling. Such studies can be conventionally grouped in the following areas:

- theoretical studies of the essence and categories of controlling;
- use of controlling in the system of effective enterprise management;
- use of methodical tools of controlling in management;
- controlling as a coordinator of strategic management;
- controlling in the economic security system of the enterprise;
- anti-crisis management of the enterprise using the possibilities of current and strategic controlling;
- principles of formation of financial controlling at industrial enterprises;
- information provision of the controlling system at the enterprise;
- and other.

Let's take a closer look at the specified areas of research. Most modern authors agree with the scientists-practitioners who initiated controlling and consider it as the main coordinator of the enterprise management system. This is achieved thanks to the combination of analytical, accounting, planning, control, and informational components, which are the basis of the essence of controlling.

Thus, Kaplina A. (2021) considers the role of controlling as a unifying basis of the main elements of the organization and management of the activities of a modern enterprise, such as: all business processes and related costs; enterprise responsibility centers; planning and budgeting systems; management accounting and strategic management systems; information flows and others. The author notes that controlling creates languages for effective search for reserves, identification and elimination of shortcomings, which ensure both strategic and tactical development of the enterprise.

Bayura D. (2015) investigated the conceptual foundations of scientific and methodical support of controlling used in enterprise management. The content of controlling and its transformation in recent years were analyzed. The author considered the main models of controlling, their common and distinctive features in foreign countries. The main functions, tasks, principles, methods of controlling are substantiated, and the place of controlling in the system of planning and control at the enterprise level is determined.

The author also structured the directions of research conducted by foreign and domestic scientists and practitioners regarding the scientific and methodical development of controlling, namely: D. Khan - conceptual provisions and the essence of controlling, P. Horvath - the concept of controlling and methodological recommendations for the organization of management accounting at the enterprise , S.B. Ilyina - controlling the economic and operational financial activities of the enterprise), L. V. Balabanova - development of the concept of marketing controlling, V. L. Korinev - controlling in the marketing management system at the enterprise, V. I. Odnovolyk - controlling as a tool for ensuring the sustainable development of the enterprise, O.E. Kuzmin - controlling in the modern management system, Y. M. Petrovych, Ya. V. Panas - research on the evolution of controlling in the modern theory and practice of management of domestic enterprises and others. This structuring made it possible not only to highlight the directions of the author's research, but thereby to demonstrate the evolution of the development of controlling.

Skorobogatova N.E. (2015) studied the peculiarities of the implementation of controlling under modern business conditions. She proposed methodical approaches to the development and implementation of the controlling system at Ukrainian industrial enterprises. The dynamics of changes in environmental factors and potential threats to their sustainable development were taken into account.

Korobka S.V. (2021) devoted his research to the theoretical aspects of the introduction of controlling into the enterprise management system. The author claims that one of the important prerequisites for the introduction of controlling at enterprises is the reduction of management risk, as well as the development of a response mechanism to changes in the internal and external environment. Considering that the controlling system is not yet sufficiently implemented in the management practice of Ukrainian enterprises, it is worth determining the priorities regarding the direction of activity of domestic enterprises, the possibility of their competition with foreign enterprises in the future, and the prospects of economic development. This allows the introduction of the controlling system into the enterprise management system.

Currently, controlling is also used to implement functional areas of activity related to economic security. So Boyko V. in (2021) considers the controlling tools in the system of economic security of the enterprise and notes the importance of controlling in the processes of minimizing the risks of making management decisions at the enterprise in conditions of uncertainty. The author developed a matrix of coordination of tasks and priority measures of controlling with the basic functional components of the economic security of the enterprise. It is proposed to implement a set of controlling tools in the system of economic security, such as: institutional-legal, financial-economic, organizational-management, scientific-methodological, and information-communication.

The study of Odrekhivskyi M. V. and Pshyk-Kovalska O. O. (2022) was devoted to the problems of the formation of a system of controlling the international innovative activity of enterprises. They formed the structure of the management system of international innovative activities of enterprises, in which controlling is implemented by means of management accounting, analysis, control and audit. The authors are convinced that the development and functioning of the innovative system of the enterprise in the conditions of international activity is impossible without the creation of an effective system of controlling innovative activity, which would control all components of such activity at the strategic and operational levels, and contribute to the information and analytical support of management decision-making.

Scientific studies on the use of controlling in anti-crisis management are quite widespread. Kuznetsova G.V. (2019) considers the possibility of forming a mechanism of strategic controlling, focused on the implementation of anti-crisis management functions of industrial enterprises under modern unstable business conditions.

Many scientific studies are devoted to financial controlling. Demchuk N. I., Tkachenko G. A. (2019) devoted their research to the use of financial controlling in ensuring the economic security of the enterprise. The authors determine that financial controlling is an effective coordination system of the relationship between the formation of an information base, financial analysis, financial planning and internal financial control. He concentrates his actions on the most priority areas of the company's financial activity, timely detection of deviations of actual results from the planned ones and adoption of operational management decisions to normalize the situation. The researchers are convinced that the application of the financial controlling system at the enterprise allows to prevent a crisis situation, determine the causes of financial problems and effectively search for ways to solve them. According to the authors, the main task of financial controlling is to maintain the liquidity and solvency of the enterprise, which can be achieved under the condition of financial planning at the same time as the current analysis of financial stability.

In continuation of the same direction of research, work was carried out (Kalchenko, O., 2022), where the conceptual principles of financial controlling at industrial enterprises were considered.

Gogol T. A (2019) also studied financial controlling as a system of effective management of joint activities of enterprises. It is substantiated that financial controlling is a system of effective management of financial and economic activities of a joint venture, which includes planning, accounting, control, analysis, information provision of management to achieve strategic and operational goals of a joint venture. The strategic orientation of financial controlling is emphasized.

Financial controlling is also considered as a component of enterprise financial management. Korbutyak A. G. and Shevchuk Yu.O. (2021) summarized and supplemented the definition of the definition of "financial controlling", defined the features of strategic and financial controlling and substantiated the need for its implementation at the enterprise.

In addition, in the work of Varenyk V.M., Shpuryaka O.V. (2019) financial controlling is considered from the point of view of using its tools to achieve and evaluate performance. A new term "controlling maturity level" is introduced, which is an effective assessment of the effectiveness of controlling functioning at the enterprise, which is calculated by an expert method by determining the sum of points for all dimensions.

The theoretical provisions of strategic controlling and the main methods of its implementation were considered in the work of Yastremska O. M. (2019). It has been proven that controlling is not limited to control, but includes management, regulation, control, supervision, that is, its functional application is much broader and includes: informing about events at the enterprise, consulting, coordinating, forming management decisions in accordance with the set goals. Controlling ensures the successful functioning of the enterprise in the long term due to the implementation of strategic goals based on the use of management accounting data. The author interprets controlling as a management system, since it coordinates the activities of the enterprise, which involves the formalization of the algorithm, the implementation of self-analysis of the decisions made, and means the management of the process of their adoption in general. It was concluded that strategic controlling forms a holistic view of the company's activities in the past, in the current period and in the future, which provides a comprehensive approach to solving the problems of the negative impact of the external environment. It is also important to generalize the main methods of strategic controlling, among which the following are highlighted: SWOT analysis, balanced scorecard, formation of strategic maps, indirect cost distribution system, "six sigma" quality standard, open reporting policy, theory of constraints, analysis of strategic deviations, analysis scenarios, portfolio analysis, potential analysis, benchmarking, functional costing, functional cost analysis.

The work of Matyukha M. M. (2023) is devoted to the formation of the operational controlling system. The author considers the establishment of an operational controlling system as an element of the information base for making managerial decisions. The role of subsets of controlling in the enterprise management system such as budgeting (financial and economic controlling), BSC (strategic controlling), KPI (control of personal indicators) is defined. It was established that operational controlling is a specialized tool based on individual indicators of various processes and functional areas of the enterprise.

Summing up a brief review of only a small part of the work of domestic scientists over the last decade on the topic of controlling, the following can be noted. The directions of research are multifaceted, they relate equally to the deepening of theoretical developments and practical aspects of the implementation of controlling in the activities of enterprises. We are convinced that further research on controlling remains relevant and requires its further development.

After an analytical study of the meaningful content of controlling, the monitoring of scientific research on the development of theoretical developments in this direction, we will proceed to consider the structural content, types and tools of controlling, that is, to determine the possibilities of its practical implementation in the anti-crisis management system of the enterprise, which is indicated in the aforementioned study.

The definition of the essence of controlling by the authors of the German schools of business administration, domestic scientists, made it possible to consider controlling as follows:

- as a process involving the analysis and evaluation of the company's activities for the coordination of strategic goals;

- as a special function of management, which has an economic orientation and a predictive nature in order to identify reserves for increasing the efficiency of the enterprise's activity;

- as a phenomenon that is related to the information provision of the management system of the enterprise as a whole.

That is, controlling can be considered as a set of methods and tools for coordination, planning, accounting, control and management of the enterprise, as well as informational, methodological and advisory support for management decisions. The transformation of content, structuring of the process, types of controlling are shown in fig. 1. All this together creates a general outline of the coordination of the enterprise management system aimed at achieving the planned goals. World experience proves that the knowledge and use of developed methodical tools of controlling in the practical activities of managers of all levels is very common. Effective implementation of the types of controlling indicated in fig. 1 requires appropriate methodological tools.

The types of controlling and the methodical toolkit for their implementation are detailed in Table 3. The use of the methodical toolkit of controlling in anti-crisis management greatly facilitates this process, helps to determine the priority problems associated with overcoming crisis phenomena in the activities of enterprises, and to achieve the planned results. Such management will be aimed at eliminating crisis phenomena at the enterprise, creating conditions for continuous improvement of business performance and achieving the set goal.

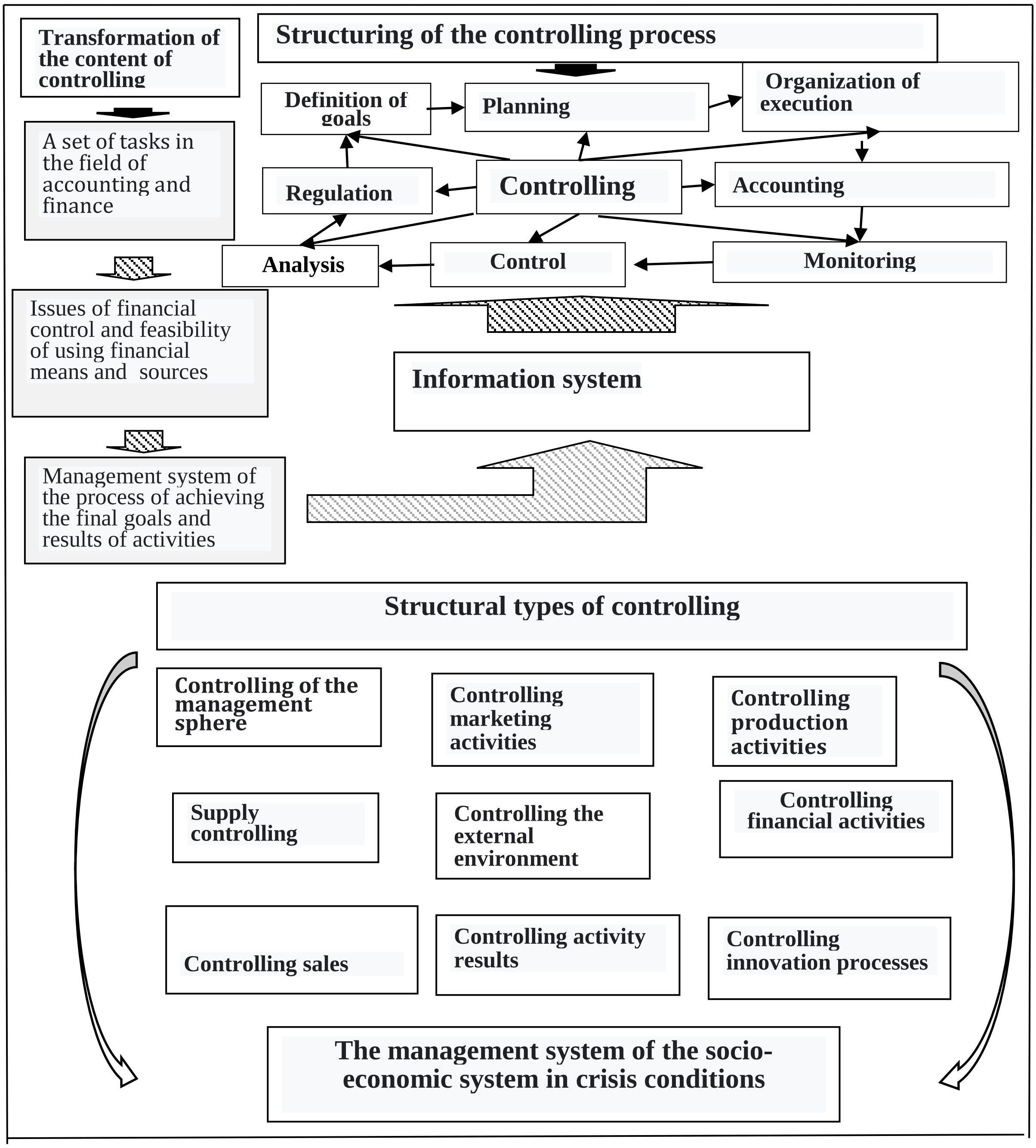

Fig. 1. Controlling in the management system of the socio-economic system in crisis conditions

The set goal can be achieved thanks to additionally developed controlling functions of coordination of the enterprise's activities, methodical support of its management and the created possibility of constant adaptation of business to changes in the living environment. Achievement goals may be different and depend on the conditions of the enterprise's business implementation. In relatively stable conditions - this is the development of the enterprise and an increase in the value of the business, in crisis conditions - the withdrawal of the business from the crisis, the restoration of solvency, further development.

Let's consider how it is practically possible to adapt the process of using the methodical tools specified in Table 3 to the management of the enterprise in crisis conditions, that is, to anti-crisis management. For the effective implementation of types of controlling in anti-crisis management, it is necessary to develop a concept with the definition of goals, the main tasks that must be achieved, to substantiate the methodological toolkit of helping to achieve the planned goals.

Table 3

Types and methodological tools of controlling

Types of controlling	Methodical tools
Controlling of the management sphere	- Analysis of facts, events, deviations - Reengineering - Classification of costs - Classification of centers of responsibility - Factor analysis - Theory of decision-making - Diagnostic methods
Controlling marketing activities	- Classification of costs - Budgeting - Model "cost-volume-profit" - Cluster analysis - Factor analysis - Quasimetric methods
Controlling production activities	- Classification of costs - Classification of centers of responsibility - Model "cost-volume-profit" - Cluster analysis - Factor analysis - Reengineering
Supply controlling	- Analysis of facts and events - ABC analysis - Analysis of comparable events - Factor analysis - Cluster analysis
Controlling sales and activity results	- Classification of centers of responsibility - Methods of determining the results of enterprise activity - Trend analysis - Financial ratios - Criteria for evaluating investment projects - Analysis of facts and events

Types of controlling	Methodical tools
Controlling the external environment	- Descriptors - Analysis of facts, events, deviations - Functional and cost analysis - Forecasting methods - Analysis of strengths and weaknesses - Diagnostics based on weak signals - Early warning system
Controlling financial activities	- Liquidity ratios - Analysis of payment flows - Analysis of working capital - Financial "web" - Cash flow balance and financial plan
Controlling innovation processes	- Functional and cost analysis - RIMS analysis - Cluster analysis - Factor analysis - Analysis of facts, events, deviations

The main feature of anti-crisis management based on controlling is the elimination of crisis phenomena at the enterprise by creating conditions for continuous improvement of business performance to achieve the set goal. This is possible thanks to additionally developed controlling functions of coordinating business activities, supporting its management at all levels of management, in all centers of responsibility, and the created possibility of constant business adaptation to changes in the environment.

The goals that must be achieved with the help of controlling are different and primarily depend on the conditions in which the business is implemented. In relatively stable conditions, the main goal is to develop the enterprise and increase the value of the business. In crisis conditions - first the withdrawal of business from the crisis, as an indicator - the restoration of solvency, and then its development.

To get out of the crisis, enterprises need appropriate anti-crisis management, which is directly dependent on the competence of the anti-crisis manager, who is able to use the necessary tools to improve the effectiveness of such management. Therefore, in our opinion, the application of controlling itself, for the formation of a complete management system, can become a real competitive advantage for business in conditions of uncertainty. We are also convinced of this by the foreign experience of implementing controlling at foreign enterprises, which made it possible to increase the level of coordination of the processes of planning, control, accounting, analysis and regulation, to create appropriate methodical and information support, to improve the quality of management decisions, which contributed to increasing the efficiency of management (Bauer 1.G., 2015).

For the effective implementation of controlling in the anti-crisis management of the enterprise, an appropriate concept must be developed, the goals and main tasks to be achieved must be defined, a justified methodological toolkit for helping to achieve the goals, an improved information system with a focus on quick access to the necessary information for making urgent decisions, emphasis of attention on current planning and control of execution of plans, structuring and coordination of the management process according to activity priorities in crisis conditions. It is also important to note that in crisis conditions, the concept of anti-crisis financial controlling should prevail.

It is extremely important to conduct an effective financial business policy, taking into account, as a rule, limited resources in times of crisis. To increase the effectiveness of financial business management, it is appropriate to use budgeting as a controlling tool to optimize cash flows, rational management of loan capital and use of own capital, etc. (Cherep, A. V. & Matyukh, O. V., 2011). The use of budgeting in the anti-crisis management system of business can become the main priority in its financial recovery, as well as a financial means for preventing and overcoming local or systemic crises in business.

Budgeting contributes to: increasing the efficiency of the enterprise based on target orientation and coordination of all operations that are reflected in the budget system; improves operational planning; develops optimal directions for the use of income and formation of costs of the enterprise; analyzes the adequacy, balances and optimizes incoming and outgoing cash flows; stimulates heads of responsibility centers to achieve planned goals.

Let's consider some features of business budgeting in crisis conditions. The first problem is the formation of the revenue part of the budgets, taking into account the shortage of funds. To do this, it is necessary: to pay due attention to receivables and payables, to determine their optimal, acceptable for these conditions, ratio; develop reasonable behavior regarding the attraction and use of loan capital, identify the quantitative and establish the optimal ratio of own and borrowed capital; increase income and reduce expenditure of monetary resources.

The selection of planned indicators in the budget is also important. Thus, in stable conditions of business operation, the main attention is paid to indicators of net profit and cost of equity capital. However, in crisis conditions - indicators of liquidity, calculation of liquid cash flow are important in order to ensure the possibility of timely repayment of payables of the business in the current period. Reasonable planning and control of the sales volume of the business structure is important in solving this task.

It is clear that one of the most important objects of management in all conditions is always expenses, and this is especially relevant in conditions of shortage of funds. Therefore, in the process of forming budgets, it is extremely important to ensure the positive dynamics of cost reduction. Less attention should be paid to controlling the values of ROE and ROI, considering that in crisis conditions, reducing investment payback periods and increasing ROE is not a priority. The main messenger in the crisis should be the creation of conditions for survival in the long term, and not the increase in profits in the current period. Investing additional own funds should be important to ensure the survival of the business.

Under these conditions, such a financial strategy should also be appropriate, which involves reducing the liabilities and assets of the business. Due attention must be paid to the break-even analysis of certain types of products or lines of activity to determine the expediency of their existence in the business structure and for the optimal and rational use of financial resources, which are extremely scarce during the crisis.

Another remark concerns the choice of planning method (approach). In conditions of uncertainty, characterized by a constant change in market conditions, the method of "planning from what has been achieved" is not entirely appropriate. It is better to give preference to drawing up a budget "from scratch", which is formed on the basis of the results of current marketing activities and research. In addition, the flexible planning method can ensure the formation of adaptive mechanisms when developing budgets, which allows you to adjust the budget model of the business depending on the constantly changing conditions.

The above is convincing that budgeting is an important and necessary controlling tool in anti-crisis business management. In addition to budgeting, strategic and operational controlling and other extensive methodological tools are used to realize the set goals. The rather successfully mentioned toolkit with examples of practical application was developed by Vollmuth, J. (2007), other authors also paid due attention to this issue. Let's consider the peculiarities of using certain types of methodological tools of strategic and operational controlling in anti-crisis management.

To determine the array of crisis problems that need to be solved, it is advisable to use benchmarking. By comparing your business processes with similar ones at other enterprises, you can identify your own problems, create and implement perfect ways of doing business, use resources more efficiently, and strengthen your own ability to resist crisis phenomena.

To form a system of anti-crisis management measures, depending on the features of the enterprise's functioning at various stages of the life cycle, it will be appropriate to use the product life cycle curve. Professionalism is a special requirement for effective crisis management. Enterprises should actively use the effects of learning and experience when developing an anti-crisis program. The most effective business strategy in anti-crisis management will be the strategy of concentrating its resources where it can use the effects of experience and gain the necessary market share.

Earlier, it was mentioned how important it is to reduce costs and the cost of products to a competitive level in the crisis - this can be useful in managing according to target costs. Also, to optimize costs, use the analysis of solutions "own production - external supply". For the anti-crisis program, the closure of one's own auxiliary productions allows to reduce the costs of maintaining personnel, freeing production facilities from inefficient production.

To identify a potential strategic crisis, it may be appropriate to conduct an analysis of strategic gaps. Eliminating strategic gaps is possible under the conditions of developing a balanced system of strategies and developing an anti-crisis plan, in which measures will be developed to restore current profitability and solvency.

Anti-crisis management will be effective when it is based on appropriate anti-crisis potential. To determine it, it is necessary to assess the company's ability to withstand the manifestations of the crisis, the use of potential analysis will help in this.

The above-mentioned recommendations for the use of methodical tools relate more to strategic controlling. We will also consider the peculiarities of using current controlling tools in anti-crisis management.

To solve one of the primary tasks of anti-crisis management - cost reduction, it is necessary to investigate the functional characteristics of the products of the business structure from the point of view of the equivalence of its cost and usefulness. Monitoring costs using functional cost analysis will help develop proposals for cost minimization.

Using the analysis of information flows allows you to identify duplication, excess information, deficiencies in forms, methods of its organization and presentation, optimize these flows, reduce costs of formation, and improve the quality of management decisions in crisis conditions.

Anti-crisis investment measures may refer to: investing funds in various types of property and non-property values, which are carried out to strengthen business competitiveness. In the development of anti-crisis investment policy, special attention should be paid to innovative investment in the development of new industries and business areas, and the choice of investment evaluation methods is important.

The formation of the structure of the production program in the conditions of the crisis must be approached in a reasonable manner. First of all, those types of products that form the largest amount of coverage for fixed costs should be included in this program. The two-stage calculation of coverage amounts will provide the company's management with the necessary information to make decisions about the most profitable assortment items, which in the future can ensure their transition from the unprofitable zone to the profit zone. Similarly, with the help of bottleneck analysis, it is also possible to plan an optimal production program based on the calculation of the relative value of the coverage amounts per unit loading time of the bottleneck by individual product groups. The use of such tools of operational controlling will also be aimed at achieving the best production result.

Analysis and optimization of order volumes allows: justifying decisions regarding the diversification of supply sources, increasing the reliability of supplies and storage of stocks; develop measures for rational transportation, storage and use of material resources. The development of resource strategies of the enterprise helps to solve tasks that ensure the stability of resource supply and uninterrupted production. All together reduces the probability of crisis situations.

In crisis conditions, reengineering of business processes is often carried out, which involves the development of a complex of organizational and economic, consulting services aimed at overcoming the crisis or pre-crisis situation at the enterprise through reorganization, adjustment of strategic, investment, innovation and personnel policies.

The use of ABC analysis and XYZ analysis allows you to determine priorities in management objects, namely: tasks, processes, materials, suppliers, product groups, etc. It also contributes to the release of a part of working capital by normalizing (optimizing) their value for the creation of production stocks.

Thus, the use of methodological tools of controlling in anti-crisis management helps to identify problems provoked by crises, to respond to them more quickly with reasonable management decisions and to achieve planned results.

And in conclusion, it should be noted that the successful functioning of controlling in the anti-crisis management of the enterprise is not possible without an appropriate information system, taking into account the fact that information is the basis for making management decisions. Knowledge of the basics of information support allows you to form the optimal structure of the movement of information flows of controlling in the system of anti-crisis management of the enterprise. The functioning of any management system requires the correct organization of information support, that is, the availability of updated information about the state of the subject of management. The basis for the formation of management information in the controlling system is management accounting data. The purpose of such accounting is to provide information to managers who are responsible for achieving specific results. This information allows: to make management decisions taking into account the economic consequences, control costs and compare them with normative values; form an economic strategy; form the cost price and determine the profit during the current period; estimate costs in terms of structural divisions of the enterprise, etc.

The main tasks of management accounting at the enterprise should be:

- organization of operational collection and processing of information within the framework of the information system operating at the enterprise;

- information provision of the analysis of the current state of the business structure in accordance with the planned characteristics and the selected nomenclature of indicators;

- provision of information for reports to managers of different levels in the established terms in the established form, in the established volume for the purpose of preparing operational tactical and strategic decisions;

- information provision of administrative financial planning and control of enterprise activity.

Information entering the controlling subsystem for processing must be grouped in accordance with the main cost elements concentrated in this subsystem. At the same time, its purpose at the entry level is to collect and group all necessary data in terms of subsystem elements. Selection of alternative options for management actions on other subsystems in order to optimize their work and achieve maximum benefit. That is, the movement of controlling information flows is carried out in terms of the main functions of the board. The formation of information flows of controlling should be carried out in parallel with the restructuring and optimization of the entire system of information flows of the enterprise, the entire document flow, as well as the automation of the information transfer process.

Also important in the anti-crisis management system is investment controlling, which includes: planning and coordination of investment activities at the enterprise, project controlling as the implementation of investments, control over the implementation of investment projects. The task of controlling investment activity is to initiate innovative projects, develop measures and recommendations for implementation, develop successful business at enterprises and expand it due to mergers with other enterprises, etc.

Investment controlling allows you to forecast the future success of the business taking into account all external and internal factors (inflation index, risks and uncertainty) due to the flexible response of the enterprise to changes in the external environment.

In addition, investment controlling provides a purposeful system of control during the implementation of projects: according to the terms of delivery and use of all types of resources necessary for investment activities, terms of payments and disbursements. As a result, deviations of the actual parameters from the planned parameters are determined, the reasons for these deviations are clarified, and the necessary measures are developed to eliminate these causes.

In the end, investment controlling allows you to create a purposeful system of ongoing control of the effectiveness of an investment project, which involves the development of an analytical report, based on which deviations of actual parameters from planned parameters are determined, the causes of deviations are clarified, and measures are developed to eliminate them. It also allows periodic monitoring of project implementation and reporting on investment activities.

Thus, an analytical study of the theoretical basis of controlling was conducted, which relates to the essence, meaningful content of types and its methodological tools. The possibility of practical implementation of controlling in the anti-crisis management of the enterprise is considered.

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4.5. GENESIS OF THE INCOME PHENOMENON IN THE CONTEXT OF THE DEVELOPMENT OF SCIENTIFIC APPROACHES TO MANAGEMENT

Recently, studies in economics is the thesis that obtaining revenue is a necessary condition for the activity of any enterprise, as it is a source of development, profit is formed from it, and current expenses are financed and tax obligations are fulfilled. It is common knowledge that the receipt of revenue by the enterprise indicates the presence of demand for the manufactured products or provided services.

In general, in the economic literature, the essence of the market is highlighted in a narrow and broad sense, therefore the interpretation of the category " revenue " requires clarification also in view of the fact that the process of transformation of this meaning of this definition takes place in different scientific schools deepening the key provisions of the relevant economic theories.

The time span of revenue knowledge can be delineated by a significant evolutionary period. The first mentions of revenue date back to Ancient Egypt and Greece, where as early as 2500 BC daily written reports on revenue and expenses were drawn up, and in the 15th century. state accounting was born - centralized accounting of revenue and expenses. In ancient Greece, there was a separate categorization of state income. In the Middle Ages, income was also determined, which was recognized only when funds were received. The next stage of the development of ideas about income and wealth from the 14th century associated with such areas of economic thought as: mercantilism, physiocracy and classical political economy, neoclassicism and modern economic theories.

Retrospective analysis of the category " revenue " allows us to clearly state that this definition became the main one in economic science with the formation and development of states as a political and economic entity. From this it followed that any socially useful work could contribute to the growth of income, which was studied for many centuries. In accordance with the evolution of the understanding of the essence and economic and political nature of the state and the characteristics of the market, the concept of the essence of revenue also changed.

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Regarding the issue of the formation of the science of incomes and revenue management systems, the development of scientific thought and the interpretation of incomes as an economic category, as well as the formation of theoretical provisions about their essence and nature, began with mercantilists in the 16th century through the search for ways to increase incomes in the sphere of circulation, namely trade. Physiocrats viewed revenue as rent, which is received by virtue of owning land and is intended for unproductive consumption (Tsoulfidis, 1989).

Representatives of the classical school of political economy understood revenue as a source of benefit obtained as a result of the use of socially useful labor, and the heyday of the science of revenue fell on the XVIII-XIX centuries. Thus, the history of the development of revenue theory includes a large number of scientific directions and theories (Fig. 1).

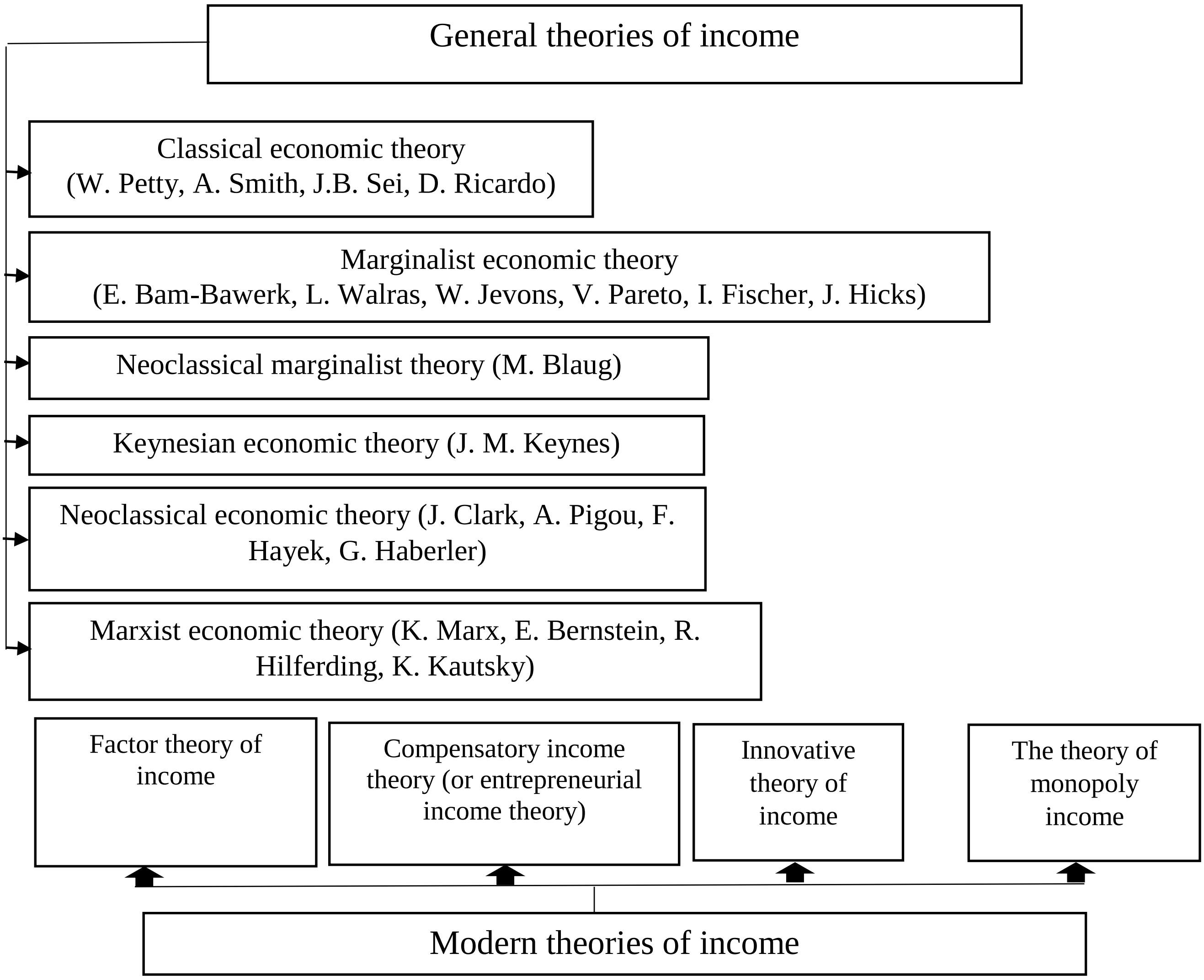

Fig. 1. Evolution of income theories

Having studied the evolution of the theories that describe this category, we can claim that the starting point for the formation and development of theories of the economic nature of revenue was the researched and substantiated interpretation of the concept by the classics of economic science A. Smith and D. Ricardo, who considered revenue as a source of benefit not only at the stage of production in the form of cost reduction, but also in the process of exchanging goods in the form of increased sales. In addition, A. Smith identified three types of revenue:

- salary - as revenue of workers;
- enterprise revenue – as part of the value created by workers;
- rent.

At the same time, Jean Baptiste Sey, in his factor concept of value, considered entrepreneurial income (from the sale of goods) and interest as sources of income generation. Over time, research into the essence of income deepened.

Thus, the well-known economist of the 20th century Bem-Bawerk stated that income is the result of the owners' presentation of the value of production factors in the pricing process (Adair-Toteff, 2022). The worker's salary depends on the current value of the product he produces. Income from land is also calculated in this way.

Modern interdisciplinary and complex views on the essence of the definition of "income" also require a semantic analysis, which made it possible to generalize its essence depending on their role in the functional process (Table 1)

In order to develop our own point of view regarding the essence, time and conditions of application of terms related to income, we will present different views on this of economists and linguists.

So, the theoretical research of scientific literature, which is devoted to the analysis of the etymology of the category "income", allows us to assert the paradox of economic theory, which consists in the fact that, on the information background, the extremely important role of income as the basis of economic activity is outlined, which, provided it is of sufficient size to cover costs and liabilities affects the formation of net profit, but its essence and laws are disclosed to a much lesser extent than most other economic categories.

This is due to the coexistence of alternative concepts of revenue theory, each of which has a sufficiently significant argumentation, practical confirmation, etc. It should be noted that most often scientists use the term "revenue" as a synonym for the concept of "income", which arises from the sale of finished products and property, as well as from non-realization operations.

In particular, according to the authors of the "Financial Dictionary" A.H. Zavhorodnyi, G.L. Vozniuk, T.S. Smovzhenko, revenue is "money or material assets received from production, commercial, intermediary or other activities (revenues)" (2007). In "Economic Encyclopedia" edited by Mocherny's definition of " revenue of an enterprise" is an increase in the amount of money over their expenses for means consumed in the production process, which the enterprise receives from the realization of newly created value, and it is also noted that " revenue is money or material values received from production, commercial, intermediary or other activity (revenue)".

Table 1

Semantic approaches to the interpretation of the concept of "income"

Interpretation of the concept of "income" in a foreign language	Synonyms	Peculiarities of translation	Source
«le revenu» *in French*	*Rémunération, d'État, de capital*	Income, national income, remuneration, capital	BUSEL, V. T. French-Ukrainian dictionary. Ukrainian-French dictionary. Kyiv, 2012.
«Einnahmen» *in German*	*Ertrag Gewinn Ergebnis einer Arbeit*	Income, profit, wages, savings	MUELLER, Vitaly. A large German-Ukrainian dictionary: about 170,000 words and phrases. The Milky Way, 2007.
«revenue», «income» *in English*	*Interest Return yield*	Income, profit, gross income, interest	YAKOVENKO, R. V. Interpretive English-Ukrainian dictionary of economic terms with elements of theory and problems. Didactic guide. 2015., c. 42, 44, 70, 81.

In Accounting standards 15, income is interpreted as proceeds from the sale of products, goods, works or services without deducting the discounts provided, the return of previously sold goods and indirect taxes and fees (value added tax, excise duty, etc.) ( ). In our opinion, the use of the term "revenue" as a synonym for the concept of "income" is not entirely justified, since this definition is close in meaning, but does not always represent income. This is explained by the fact that income is earned during the entire operating cycle as a result of attracting investments, receiving interest, and revenue occurs at the time of selling goods, providing services or performing works.

The well-known English economist John Richard Hicks noted the variety of authors' approaches to the essence of income determination, which were quite controversial (2022). Accordingly, in economic theory, the category of income is interpreted differently by economic currents (classical, marginalist, neoclassical marginalist, neoclassical, Marxist economic theories).

In scientific studies, there is no unity in the understanding of income as a category, which is explained by the complexity and multifacetedness of the subject under study and requires in-depth analysis and theoretical justification. Opinions regarding the need for terminological regulation in this field of scientific research of the foundations of the economic concept of "income" are quite actively discussed in both the theoretical and applied spheres, therefore modern theories describing this category are multifaceted and occupy a prominent place in scientific works. The scientific foundations of the "income" category are the focus of research by domestic and foreign scientists, including: I.O. Blank, V.I. Blonska, N.M. Bondar, Yu.V. Borysenko, V.V. Kulishov , I.A. Marynych, V.S. Marcyn, I.Yu. Malushanova, L.G. Melnyk, V.V. Polyanko, V.I. Titova, V.V. Sopka, V.P. Zavgorodny , F.F. Butynets , L.P. Kulakovska and Yu.V. Picha , V.D. Bazilevich , S.Z. Moshenskyi, T.P. Ostapchuk , V.S. Len , H. H. Kireitsev F. Kene , A. Smith , D. Ricardo , T. Leneyko , L.G. Lovinska , S. Panchyshyn , A.M. Sokolovska , O.O. Tereshchenko , T.I. Yefimenko , F.O. Yaroshenko . A strong motive for researching the essence of the concept of "income" is its multi-aspect and multi-level character, when its individual aspects are studied on the basis of in-depth modeling, design, control considering the market conjuncture, the political and socio-economic situation, the potentials of various sciences, which prevents cumulative efforts to study the problem. For a systematic analysis of the term, it is necessary to conduct its degree of application at different levels of the economy and in terms of the evolution of theories that describe the category "income". In our opinion, a more thorough explanation is needed, which would establish the relationship between this concept and its components at the methodological level. In fig. 2 represents and summarizes scientific approaches to the study of income as a multi-aspect and multi-level phenomenon.

Modern scientists such as M. S. Pushkar, P. I. Yukhymenko, F. F. Butynets, V. S. Suharsky, L. G. Melnyk, I. M. Boychuk, and others interpret the definition of income in different ways. Some compare them with the cost of production minus costs, others understand income as revenue from sales, third - a flow of cash or other income, fourth - monetary or material values, fifth - the receipt of economic benefits or an increase in assets that lead to an increase in equity.

However, in our opinion, in this case there is an unjustified identification of economic phenomena, since scientists interpret this concept in accordance with their own professional direction (political economists, financiers, tax experts, economists, managers, accountants, etc.) and conceptual views regarding the essence of income, their place, role and importance for the development of the economic and financial activities of the enterprise. In this dissertation, attention was paid to income as an object of management, where the processes of its formation were considered subordinate and mutually determined by a broad interpretation of this phenomenon.

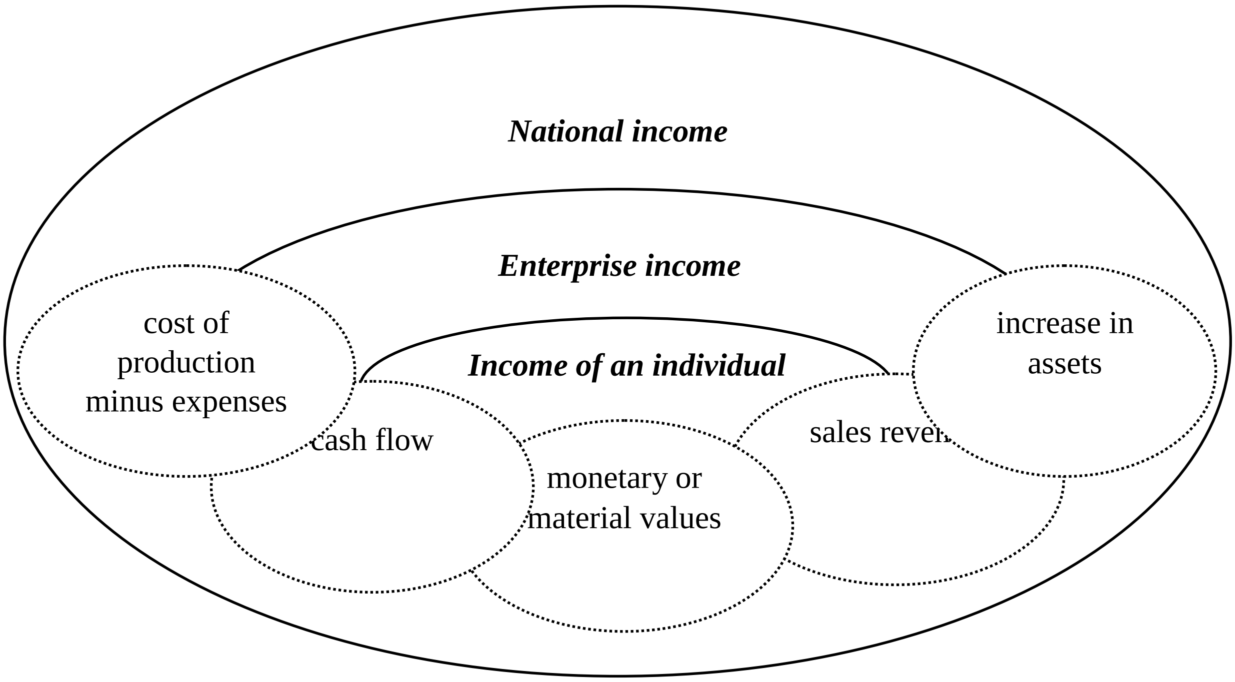

Fig. 2. Multi-aspect and multi-level space of the "income" category

A review of the theoretical provisions of domestic and foreign works devoted to the solution of scientific problems of the interpretation of the definition of "income" convincingly shows that in the scientific environment it has been thoroughly studied on the basis of systemic, functional, process and combined approaches. Specific areas of theoretical, methodological and applied research at the macro-, meso- and micro-levels of the economy are devoted to the study of:

– the conceptual apparatus of the essence of incomes, the theory and methodology of their formation (L. Walras, D. Keynes, J. Mill, F. Knight, V. Pareto, A. Smith, K. Marks, J. Hicks, etc.);

– connections of national income with other macroeconomic indicators (B. Burkynskyi, V. Voloshyn, P. Gayuduky, A. Galchynskyi, B. Danylyshyn, N. Demchyshak, I. Kyrylenko, M. Krupka, O. Kovalyuk, I. Mykhasyuk , L. Melnyk, S. Panchyshyn, O. Stefanyshyn, Yu. Tunytsia, M. Khvesyk, L. Shvayka, S. Schultz, etc.);

– income management in economic sectors, as well as relations arising between sectors (M. Pushkar, P. Yukhymenko, F. Butynets, V. Suharsky, L. Melnyk, I. Boychuk, etc.);

– theoretical and methodological aspects of the company's income (M. Abryutina, I. Blank, V. Blonska, N. Bondar, Yu. Borysenko, F. Butynets, V.

Kulishov, I. Marynich, V. Marcyn, I. Malushanova, L. Melnyk, V. Polyanko, V. Titova, etc.);

- the role of income in the structural transformations of the economy of Ukraine (O. Amosha, S. Bila, Z. Varnalii, O. Veklych, V. Geets, L. Hryniv, M. Dolishnii, V. Zahorskyi, S. Yerokhin, A. Melnyk, O. Pirog, O. Svintsov, L. Fedulova, L. Shablysta, etc.);

- theories of entrepreneurial income (I. Blank, N. Bondar, F. Butynets, A. Mazaraki, E. Mnykh, L. Medvid, V. Ozeran, V. Blonska, V. Gruzinov, L. Melnyk, V. Nikolaev, T Kaminska, N. Shmyhal, Yu. Boryseiko, etc.);

– innovative income theories (V. Vasylenko, V. Lavruk, L. Neikova, A. Peresada, D. Chervanov, V. Shmatko, etc.);

– investment income (Z. Gutsailyuk, V. Granaturov, S. Bystrov, V. Bogolyubov, I. Lytovchenko, N. Svyridova, O. Sudarkin, etc.);

Theoretical studies of the scientific achievements of foreign and domestic economists testify to the absence of a single, generally accepted definition of the concept of "income"(Bodnaryuk, 2022).

At the current stage of development, there are certain theories of income that to some extent integrate the views of economists whose teachings were studied above. Polyanko notes the following among the most recognized modern theories of income (2002):

The factor theory of income - considers the income of the enterprise as a result of the beneficial use of certain types of economic resources or factors of production. The factor theory of income is supported by the majority of modern economists, considering it basic in the process of considering the essence of this category. Other theories of enterprise income only supplement its main content.

The compensatory theory of income (or the theory of entrepreneurial income) - considers income as payment (compensation) to an entrepreneur for carrying out entrepreneurial activities. This fee (or entrepreneur's income) consists of at least two parts. One part of the entrepreneurial income is the payment for the entrepreneur's ordinary work related to the organization and management of economic activity (it is equal to the payment that he would be able to receive by selling his work to other owners). The second part of the entrepreneurial income is a fee for the fact that the entrepreneur takes on a risk that exceeds the market average. This fee arises as a compensation to the entrepreneur for making successful management decisions in conditions of uncertainty of the market situation.

Innovative theory of income - considers a certain type of additional income of the enterprise (above its normal level), which is formed from the introduction of more effective technological, organizational and other innovations that significantly increase labor productivity. The innovative theory of income was considered to some extent even by the representatives of the Marxist school as a means of overcoming the negative impact of some economic factors and a condition for counteracting the law of decreasing capital profitability. But its provisions were most widely developed in the works of the Austrian-American economist J. Schumpeter.

The theory of monopoly income - explains those cases when higher (additional) income is a consequence of insufficient competition and even a monopoly position of the enterprise in certain market segments. This theory allows you to combine the market approach to the formation of the company's income with the production approach based on factor costs. According to this theory, there is always a certain degree of violation of competition and manifestation of its monopolization in the market due to the suboptimal behavior of its individual participants or for other objective reasons. Enterprises that have achieved a high level of monopolization in certain market segments, due to the appropriate pricing policy, are able to provide additional income in the process of selling their products.

Considering the development of theories that describe the category of "income" as independent scientific economic knowledge, it is proposed to distinguish the following levels of scientific research of the essence of the analyzed definition (Fig. 3).

● Macro level – at this level, national income management is coordinated through the system of central authorities

● Mesolevel – provides for the management of the aggregate of cash receipts to centralized and decentralized state funds.

● Micro level - enterprise level, management of the results of the main, investment or financial activities.

● The nano-level involves the study of the features of income redistribution and economic opportunities among citizens.

Therefore, the development of the doctrine of income is accompanied by the emergence of ideas of studying the sources of their occurrence and finding ways to increase them. According to domestic economists V.V. Sopko and V.P. Zavgorodnyi, this is related to the interpretation of income as the gross receipt of economic benefits during the reporting period, because in the process of the company's operational activity, there is an increase in equity (2004). A certain continuation of the idea of treating income as the receipt of economic benefits is the reasoning of F. Butynets, who clarifies the sources of income: "...which arise as a result of the enterprise's activities in the form of revenue from the sale of products (goods, works, services), royalties, interest, dividends, etc. (Butynets, 2005).

The broadest, in our opinion, is the definition proposed by V. Polyanko, according to which the role of income consists in obtaining specific economic benefits, as a result of the use of economic resources involved in the economic process in conditions of an acceptable level of entrepreneurial risk, the level of competitive advantages achieved as a result of innovative activity and the corresponding competitive (monopoly) position in a certain market segment (Polyanko, 2002).

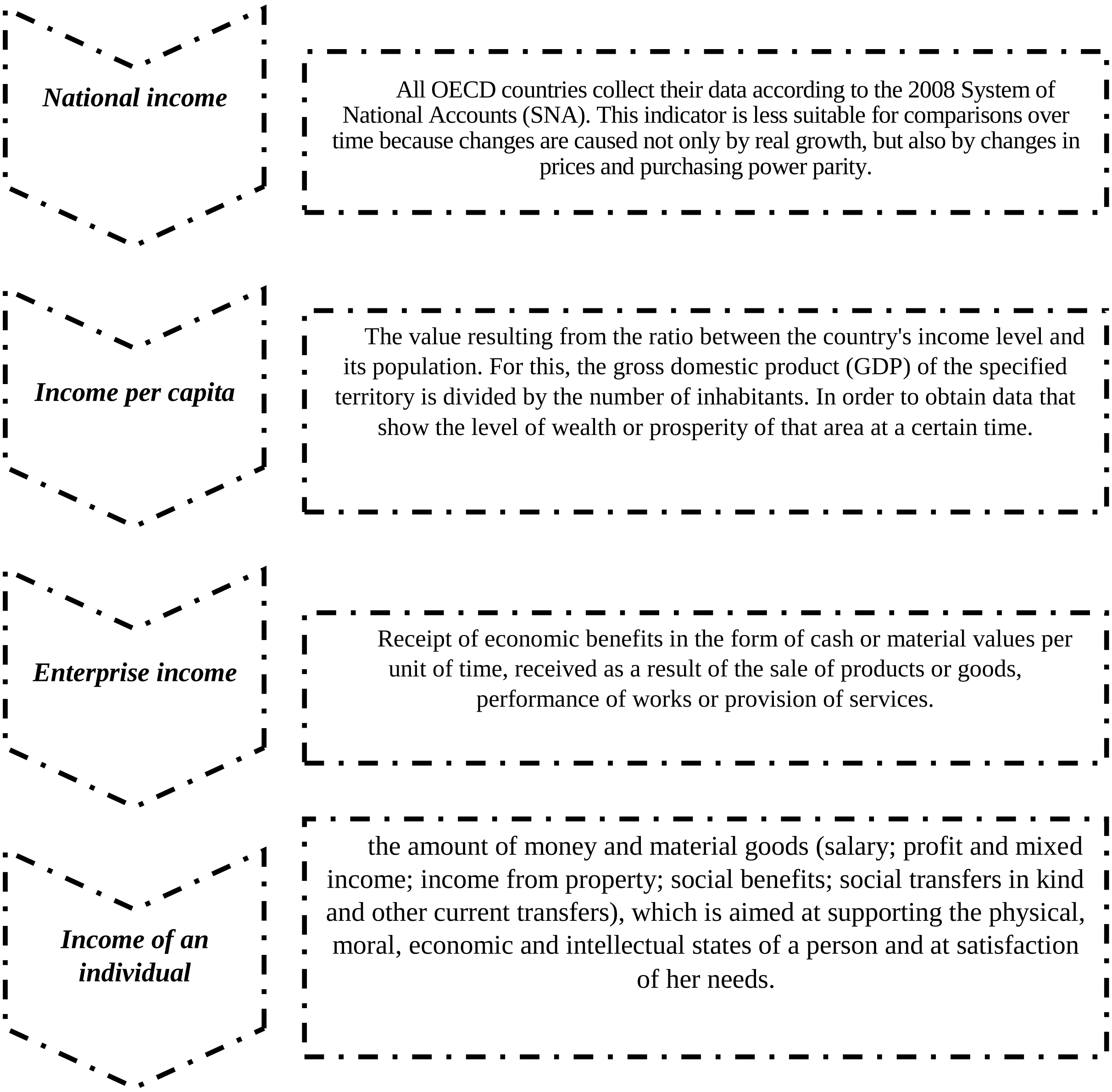

Figure. 3. Features of income generation at different levels of the economy

OECD (2023), Gross national income (indicator). doi: 10.1787/8a36773a-en (Accessed on 14 August 2023), https://www.ukrstat.gov.ua/express/expr2022/03/29.doc

We agree with this position, since the formation of income is influenced by the institutional environment, which changes under the influence of many factors related to the activities of various subjects. Therefore, the stability of the process of income generation, even under adverse conditions, is determined by its perception as a driving force and motivational factor of social development. Arguments regarding the perception of income as a driving force and motivational factor of social development are the features of the self-regulation of the market system, which cause the fact that the financial crisis will most significantly affect countries that have experienced the consequences of the banking crisis and the lack of investment, which will lead to a shortage of capital and the general productivity of production factors compared to pre-crisis trends, as well as slower technology adoption.

Therefore, it is expedient in view of the interpretation of the current stage of development of the world economic system, which is characterized by globalization and urbanization; accelerating the pace of scientific and technological progress; information processes; transformation of ecology into an economic resource; revaluation of old traditional resources and production technologies; by changing the functions of the state (Kravchenko, 2019) it is worth emphasizing that income management is one of the most important components of state economic policy. It is indicative that the characteristics of income are implemented in ensuring the transition of the economic system to a higher not only quantitative, but also qualitative state; stimulating the maximum use of the results of scientific and technical progress, specialization of the country in the global division of labor, integration and innovation processes that determine the peculiarities of the economic activity of enterprises. The multifunctional value of income in this aspect is determined by the complex relationship between aggregate demand and aggregate supply, macroeconomic values of types of economic activity, socio-economic development of regions. Scientists, considering the multi-vector value of income as the structural basis of the economy, sufficiently fully disclosed and characterized in various studies its systemic features: complexity, functionality, hierarchy, invariance, complementarity, emergency, stability (Nazarkevich, 2020).

The complexity of income reflects the systemic unity and interconnection of all its components and sources of formation. The functional basis characterizes the structural and logical connections between revenue centers in the economic system, functional features and mechanisms for regulating their activity. Hierarchy of incomes is characterized by multi-level orderliness and stability of many elements of the economic system.

Invariance reflects the distribution of additional income received. Complementarity expresses the complementarity and organizational-structural correspondence of the elements of the income system, ensuring synergistic effects. Emergence implies the formation and presence in the income system of special properties that are not characteristic of its components. Stability characterizes such a stationary state of the income system, which ensures balance between its subsystems and determines its ability to differentiate.

So, according to the results of the study of the essence of the "income" category, we note that, being complex in functional content, diverse in levels of formation and types, as an indicator of financial status and a source of development, it is under the influence of a complex of factors, the action of which is characterized by multi-speed dynamics.

Considering the theoretical and methodological significance of the performed research, recognizing the importance of scientific and practical contribution to the development of the theory of income management, based on their main provisions, we note that significant scientific developments are evidence of the real multifaceted nature of income and the constant attention of scientists to the problems of effective functioning and competitive development of sub of economic entities. Therefore, the study of income in the practical plane should be considered from the position of management, which is in the plane of the formation of economic relations, covering almost all aspects of economic activity, the peculiarities of the formation of income, which allows conducting economic analysis and searching for sources of its growth.

At the same time, it is worth noting:

firstly, the theory of income management as an independent field of scientific knowledge was separated from the general theories of management;

secondly, modern scientific approaches to income management are not formed spontaneously, they are a kind of symbiosis of scientific knowledge that develops and concentrates, first of all, on the study of a set of management measures, methods and means associated with the purposeful development of business entities;

thirdly, the subject area of scientific approaches to income research is quite multifaceted

Given the multifaceted nature of income, the above-mentioned scientific approaches reveal its essence as a multifunctional socio-economic phenomenon. At the same time, it is worth noting that the presented scientific approaches are applied from methodologically separate positions, when solving a specific scientific task and in a certain socio-economic situation.

In this regard, the formation of a scientific approach to revenue management is urgent, which would integrate the most appropriate methods to ensure the systemic integrity of the functioning of enterprises and correspond to the basic principles of market development: systematicity, coherence of actions, limited resources, timeliness and completeness of information, adaptability, harmony and environmental protection. All this necessitates the improvement of existing and the development of new scientific approaches to income management, as a form of economic benefit, the essence of which lies in the characteristics of the efficiency of the economic entity:

● the multifaceted nature of the phenomenon, which concerns various parties, stakeholders (subjects) of the internal environment of the enterprise, results in which owners, top managers, workers, etc. are interested;

● purposeful influence of management subjects on enterprise results management objects to achieve a specific goal and perform management tasks, while using management functions and adhering to the principles of effective management;

● the dependence of the effectiveness of income management in the medium and long-term periods on the time required to effectively influence the relevant performance evaluation criteria;

● peculiarities of income formation and their sources, relationship with economic growth, scientific, technical and cultural progress.

The problem of the development of the theory of income management a priori is a field of wide research interest. This interest is based on the epistemological tradition of understanding the processes of socio-economic transformations of social development. That is why the scientific request for a theoretical understanding of the factors that determine the development of new approaches to income management has a clear practical focus.

Methodically, the object of the revenue management system, in the opinion of the author, can be determined by level and coverage, which necessarily requires adjustment considering the functional influence of external factors; the above objectively requires a specific empirical interpretation.

It should be noted that the problem of income management was considered in the works of foreign and domestic economists, who thoroughly researched the essence, functions and other issues of this process. It is worth noting that the management aspect is revealed through the common interests and mutually beneficial relations between the controlling and controlled systems, strategic, operational and tactical management systems; implemented through the functional structuring of revenue management (identification and implementation of such general and special management functions as regulatory, organizational, prognostic, coordination, motivational, administrative, advisory, research, communicative, informational, creative, etc.) in order to develop and make management decisions based on functional, process, system or situational approaches.

Considering the development of the theory of income management as an independent scientific economic knowledge, it is proposed to single out the following areas of its scientific research: income management, yield management, revenue management (Fig. 4). The main element of the theory of revenue management is the process of influencing financial results.

Depending on the identification of income as a managed element and the directions of influence of the managed subsystem, the functions of the subject of financial management are transformed, which makes it possible to increase the efficiency of resource provision of economic activities of enterprises. Revenue management is a generalizing concept, where the main elements are financial results, price, demand, supply and distribution channels.

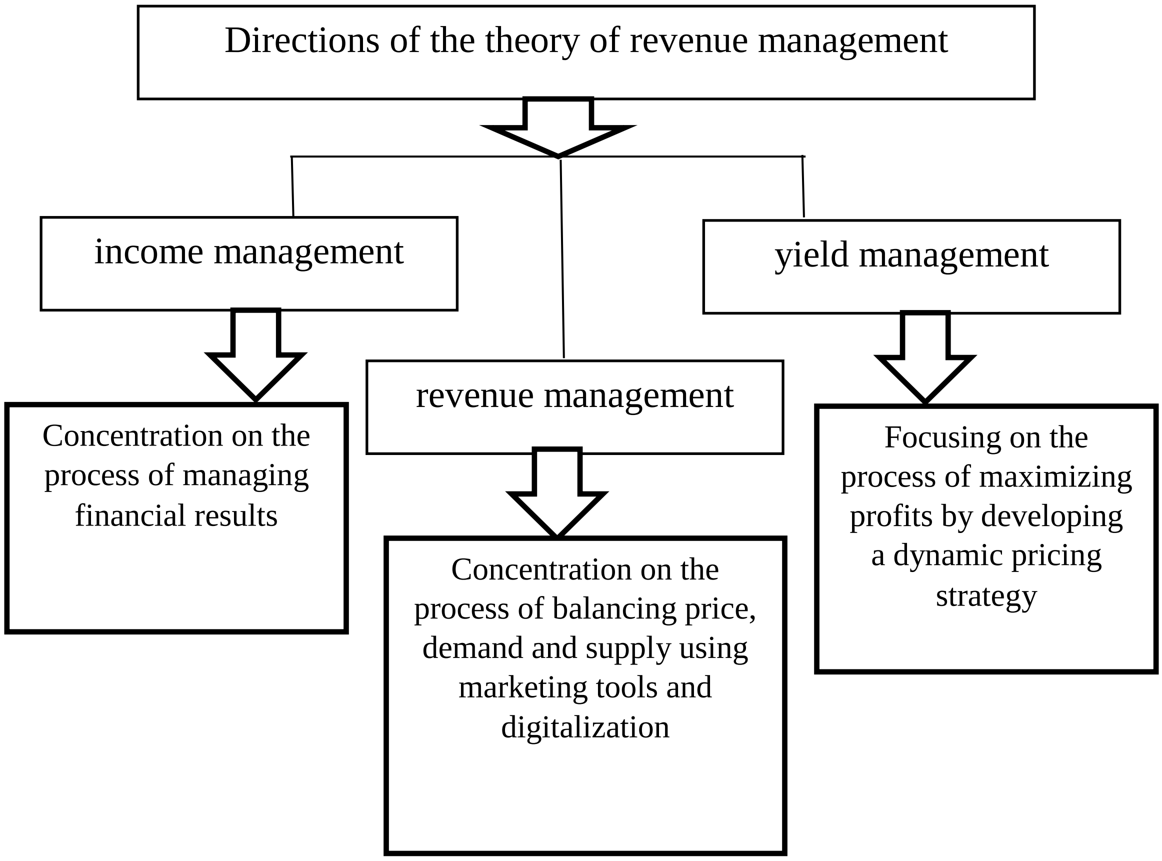

Figure 4. Main directions of the theory of revenue management

The definition of revenue management is not of a principled nature, rather it summarizes the most well-known, common and meaningful approaches. However, what is fundamentally new in this definition is the emphasis on the role of income in the existing economic system, where the state and nature of the market are determined by its transformation. At the same time, both the system and the concept of income naturally change over time, and their perfection is functional and resulting at the same time.

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4.6. STRATEGIC MANAGEMENT OF THE ORGANIZATION: MODERN APPROACHES AND FEATURES

Strategic management is a concept of managing the development of a modern organization, which develops and transforms in accordance with changes in the characteristics of the organization and the components of its business environment and provides general management within the framework of the developed strategy.

Numerous works of many domestic and foreign scientists are devoted to the study of the theoretical aspects of the essence of strategic management and the organization's strategy, as its component part: I. Ansoff, P/Drucker, M. Porter, O. Wichanski, A. Royz, A. Thompson, A. Strikland, W. Dikan, H. Mintzberg, V. Nemcow, Z. Shershnowa, etc. At the same time, in the scientific literature on the chosen topic, considerable attention is paid to the content of the strategic management process, and much less attention is paid to the characteristic features of strategic management in conditions of a high level of environmental instability and military operations.

The relevance of the chosen topic is due to the need for the development of theoretical and practical aspects of management activity in the conditions of multiple complex tasks facing Ukrainian enterprises today. The purpose of the study is the theoretical substantiation of issues related to the peculiarities of strategic management of enterprises in the conditions of digitalization of the economy, a high level of environmental instability and the systemic crisis caused by the war in Ukraine.

The concept of strategic management was formed in the second half of the last century as a result of the transformation of organization management systems as business conditions changed due to the influence of scientific and technological revolutions and, accordingly, changes in the characteristics of organizations that gradually turned into open socio-economic systems.

Thus, the beginning of the study of strategic management, as a component of the organizational management system, is connected with the works of scientists who became the founders of the theory of strategic management and summarized its practical implementation: I. Ansoff (1965), AD Chandler (1962), Kenneth R. Andrews (1971), H. Mintzberg (1978), etc.

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Since the beginning of the foundation of strategic management, separate scientific schools have been formed with characteristic differences and peculiarities in understanding the essence, components and approaches to the practical implementation of strategic management . During the development of the theory and practice of strategic management, a wide range of knowledge of a theoretical, empirical and methodological nature regarding the understanding of the construction of the system and the process of strategic management was accumulated.

As the analysis of existing approaches to the definition of strategic management shows, there is still no consensus on the definition and content of this term. Accordingly, today in scientific literature there are many definitions of the essence of strategic management, in which attention is focused on certain aspects of this concept. Thus, the founder of the theory of strategic management I. Ansoff (1999 p.143) defines strategic management as an activity related to establishing the goals and objectives of the organization and maintaining the relationship between the organization and its environment. Emphasizing the multifacetedness of strategic management, the scientist defines its main components as follows: analysis and selection of the firm's position in competition, management of strategy implementation in real time. This interpretation of the essence of strategic management includes the formation of a development strategy, the creation of strategic potential (development of business capabilities) of the organization and management of the processes of its strategy implementation.

Schendel D.E, Hatten K.J (1972) in the understanding of strategic management emphasize the establishment of relations between the enterprise and its external environment, which consists in the realization of the intended goals and an attempt to achieve the desired state through a justified distribution of limited resources, in order to ensure the effectiveness of the organization's activities and its subdivisions. The definition of strategic management by Higgins JM (1983) is close - as a management process aimed at realizing the organization's mission by influencing the organization's interaction with its external environment. According to the definition of Thompson,A.A, Strickland,A.J(2007), strategic management is a process by which managers establish the long-term directions of the organization's development, its specific goals, develop strategies for their achievement, taking into account external and internal circumstances, and adopt the chosen plan of action.

Pearson E., Robinson T, (2008) understand strategic management as a set of actions for the formation and definition of strategy. O. Wichanski (1998) notes that strategic management relies on human potential as the foundation of the organization, orients its production activities to consumer requests, responds flexibly and makes it possible to make timely changes that meet the challenge from the environment and allow to achieve competitive advantages, which in totality enables the organization to survive in the long term, while achieving its goals. According to Bowman K. (1997, p.133), the essence of strategic management is to solve strategic issues of the organization's development, and the purpose of its implementation is to establish intra-organizational ties.

One of the well-known approaches to understanding strategic management is the resource approach, the principles of which are formulated in the works of Prahalad C.K, Hamel G. (1990), Teece D.J, Pisano G., ShuenA. (1997), Barney J.B. (1991), Rumelt R.P. (1991), Wernerfelt B.(1984), Collis D.J., Montgomery C.A. (1997), Grant Robert M. (2002). The resource concept assumes that unique resources are important for creating competitive advantages of an organization, on the basis of which its competencies and organizational capabilities are formed, a strategy is created and implemented. For successful development in the future, the organization must own and quickly develop its dynamic capabilities and manage its resources more flexibly and efficiently (Kathleen M. Eisenhardt ,Jeffrey A.Martin 2000, Tees 1997).

Robert M.Grant (2002, p. 47-48) gave a convincing rationale for the resource-oriented strategy in his writings: "When the external environment is in a state of constant change, the resources belonging to the firm and its capabilities can be a more stable basis , on which the self-sufficiency of the organization can be built. It follows that the characteristics of a company, in terms of what it is capable of creating, may provide a more sustainable basis for strategy than characteristics based on the market needs that the business seeks to satisfy." This directs efforts in the construction of the strategic management process in such a way as to ensure the most complete use of resources in achieving the goals of the enterprise. For the strategic development of a modern organization, intangible resources are especially important.

By Ukrainian scientists Shershnova Z. (2004), Kindracka G.I. (2006), Tertichka V. (2017), Pětuhova O., Stavickij O. (2015), MoskalenkoV. (2018). In particular, as a modern stage of the evolution of strategic management, Dovbnya S. (2020, 2022) considers innovative-adaptive management, the features of which are orientation to the innovativeness of enterprise activities, globalization of economic processes, the importance of the human factor, and the priority of using information technologies.

One of the foundations of today's understanding of the features of strategic management of an organization is also the theory of agents and various interested parties. According to it, agents and stakeholders participate directly or indirectly in the processes of development and implementation of the company's strategy. Moreover, there is an opinion that stakeholders who are not owners of the firm should receive value before owners and shareholders , due to the fact that the support of such stakeholders is needed to create additional value and strongly affects the overall results of strategy implementation (Barney, 2018).

The generalization of existing views on the essence of strategic management allows us to affirm the fact that in scientific publications the process approach to understanding the essence of strategic management prevails, which involves a certain sequence of actions to create and implement a strategy. Another widespread view is the understanding of strategic management as a set of decisions and actions to achieve a set goal, through the implementation of complex management activities based on the strategic potential of the organization, in particular human.

In our opinion, strategic management is an activity that consists in determining the priority directions of the organization's development, developing a strategy and defining a system of changes for its implementation in practice in order to achieve strategic goals. The practical use of strategic management is conditioned by the understanding of the modern organization as an open system that actively interacts with the external environment. Accordingly, the transformation of modern strategic management is associated with changes in the characteristics of the organization, as well as with changes in the environment of its activity. Thus, according to Hitt MA, Arregle JL, Holmes RM Jr. (2021), in the post-pandemic and non-ergodic world, it is the significant uncertainty and growing attention to stakeholders that today demand from the organization more dynamic management capabilities to create organizational hybridity, manage the acquisition of necessary resources, as well as implementation of processes of development of organizational capabilities, which are required for flexible design and implementation of innovative strategic changes.

Content of Art process strategic management modern organization changes at each level management. At the corporate level are accepted strategic decision of development the whole organizations as interconnected totality business units, brands, separated subdivisions , subsidiaries enterprises . Strategic management at the business level provides strategic solutions for individuals directions activity organization from taking into account specifics markets, competitors, level competitiveness organization in these directions and general corporate ones goals and strategies. At the same time are taken into account synergistic connections between business units , balance of the firm's portfolio by stages life cycle When strategic administrative on the functional levels are accepted decision of certain functional areas of activity organizations which allow realize strategic decision two previous ones levels - general organizational and business level .

In modern scientific publications, there is an opinion about the influence of two main factors on the development of strategic management:

1. The emergence and development of the knowledge economy, where knowledge is a key resource for the organization's development;

2. The fourth industrial revolution, as a result of which there is an active creation of global networks, the use of cyber-physical systems, the level of digitization of the economy is rapidly increasing , etc.

Accordingly, the evolution of strategic management can be considered in the form of three characteristic stages:

1. Traditional strategic management - strategy is considered as the business portfolio of the organization;

2. Competency-based strategic management – strategy is created as a portfolio of the organization's capabilities;

3. Network approach to strategic management - strategy is considered as a portfolio of relations of the organization (B. Barczak 2021).

It should be noted that today the main source of changes in approaches to understanding the essence and features of the implementation of strategic management are modern crisis phenomena. This is due to the fact that under conditions of crisis, the importance and complexity of cooperation and inter-organizational relations in setting and implementing strategic development goals increases.

Factors that determine the directions of transformation of strategic management of the organization in the conditions of network interaction and formation of business ecosystems are the need to coordinate the goals of organizations with the goals of network participants, determined by social criteria, existing environmental problems, etc. In choosing options for strategic development, it is also important to take into account new knowledge, resources and competencies generated by network participants.

Traditional approaches to strategic management focus on the collection and distribution of resources within a single firm. The main premise of strategic management from the point of view of the network approach is that by connecting the resources inherent in a certain organization with the capabilities and competencies of organizations cooperating in the network, all network participants can increase their strategic flexibility, quickly adapt new groups of resources to use new market opportunities.

Changes in the strategic management of a modern organization are also increasingly determined by the development and implementation of information systems and the increase in the virtuality of communication both in the internal and external environment. Accordingly, it is the use of modern digital technologies that significantly affects the creation of the organization's strategic resources.

A review of modern scientific literature on issues of strategic management allows us to highlight the dominant trends in the implementation of strategic management in the practice of modern enterprises. The key ones include new models of business efficiency management, knowledge and innovation management, network cooperation of organizations, giving significant attention to issues of corporate social responsibility, and the formation of an inclusive corporate culture.

In particular, it is believed that in a dynamically changing environment, companies cannot focus exclusively on financial results, but must also focus on the formation of sustainable values. At the same time, special attention should be paid to the personnel of the organization. Despite the existing system of incentives, employees who do not know how their work is implemented in the implementation of the strategic goals of the company actually become insufficiently motivated and less willing to join new initiatives for the implementation of the strategy. Accordingly, another important condition for successful strategic development is cooperation between the financial departments of organizations, which influence the definition of goals and the allocation of resources for the implementation of strategic programs, and personnel departments, which are responsible for the formation of human capital. New business efficiency management models should be based precisely on these two elements, as this increases the firm's resilience to the influence of external environmental factors. A modern system of strategic management should make it possible to use the knowledge of individual employees for the benefit of the enterprise. Therefore, the key moment for the successful implementation of the strategy, in conditions of instability, is also considered to be the creation of elements of a culture of productivity in enterprises, where people are inspired, involved and motivated by the goals of their organization.

The implementation of strategic management of a modern organization takes place under the conditions of globalization of markets for goods, capital, human resources and information. Therefore, even those companies that do not consider global activity as a condition for effective competition are forced to take into account the behavior of those firms that operate on a global scale and set certain standards of activity in the market.

In our opinion, today, for the successful implementation of the strategy, it is vitally important to timely monitor the changes and events occurring in the organization's environment and react to them in real time. For this purpose, management technology can be applied by ranking strategic tasks and managing weak signals. Identification of events, or their combinations, that can represent a problem that needs to be solved by reacting immediately or later, is an important component of such technology. It is more difficult to identify the first inaccurate weak signals about events and changes that can later greatly affect the development of the organization. Also, the rapid digitization of the economy creates a complex and changing business environment, in which the problem of security increases. This requires the application of an adaptive continuous assessment of risk and the level of trust in counterparties, which allows making informed decisions in real-time conditions.

It should be noted that strategic management is aimed at developing and implementing those changes that will help ensure the long-term competitiveness of the organization. Therefore, the effective use of strategic management in the organization involves the establishment of agreed goals, a deep understanding of the competitive environment, an objective assessment of resources and effective implementation of the strategy.

The key component of the strategic management system is the organization's development strategy. Today, in the conditions of a high level of uncertainty, the content and approaches to its formation are undergoing significant changes.

According to Roger Martin (2022) all that strategy can do in the face of instability and uncertainty is to improve the organization's chances or reduce those chances. It is also necessary to take into account the fact that the situation may develop in a way that is significantly different from what was expected, in which case the strategy will have to be reviewed and decisions must be made as to how to adjust or change it.

Modern organizations work in completely new business conditions, which are particularly characterized by the development of complex and extensive organizational structures in the form of network or virtual forms of partnership, which meet the conditions of the rapidly changing external environment and rely on modern digital technologies.

Today, along with other well-known forms of organization of network relations, business ecosystems are of particular importance for the realization of strategic goals of a stable position in a competitive environment. As defined by James F. Moor (2006) business ecosystems are dynamic networks of interdependent organizations that work together to achieve success. The components of the business ecosystem are the internal environment of the organization, distribution channels, suppliers, consumers and other organizations (trade associations, trade unions, investors, etc.) that have a significant impact on the main business of the firm. A similar theory was presented by another American scientist, Jackson D.J (2011), who described his idea of an entrepreneurial ecosystem as "a dynamic economic model of complex relationships formed between participants or organizations whose functional purpose is the development of innovative technologies." The elements of the business ecosystem as a form of organization of economic activity are independent economic entities that can, at the expense of formal and informal contracts, conduct both ordinary economic operations and create network forms of organization of economic activity. The business model of the ecosystem consists in the conclusion of a commercial agreement between several organizations for the joint creation of value propositions that exceed the value of the proposition of individual participants. Ecosystems are based on multi-level network communications, social interactions, exchange of information and knowledge. Almost every organization today is a component of at least one business ecosystem, and most often cooperates with several at the same time. In order for the ecosystem to work successfully, it must have a coordinator who manages central resources, determines the direction of ecosystem development, establishes a strategy and manages its implementation, and distributes values among participants.

According to estimates by McKinsey & Company, by 2030 the integrated network economy may account for 25% of the total economy with a global income of 70 trillion dollars (Niharika Hariharan Joshi , Hamza Khan, and Istvan Rab 2021). Taking into account such trends, it is worth noting the presence of two components in the implementation of the strategy of a modern organization - competitive behavior and cooperative behavior. In conditions of a high level of uncertainty and high business risks, enterprises pay particular attention to identifying those opportunities that can be provided by cooperative behavior and partnership relations based on it.

With a network approach to strategic management, the understanding of the essence of strategy changes. A strategy developed taking into account participation in the network should determine not only what resources and competencies the organization itself has, but also what it seeks to obtain from external organizations, what connections it needs in order to have access to the necessary resources and competencies for further development (Joni Tikkanen ,Aino Halinen, 2019).

Therefore, a characteristic feature of the content of the strategy of a modern organization is a departure from the understanding of the organization's development as competition with other market participants for dominance and profit. To survive, a modern organization must combine competition and innovative methods of cooperation with other participants in the business space. In many cases, the firm today is not independent from the influence of the business ecosystem. And its success depends on cooperation with other organizations in the formed ecosystem, which can cover several sectors of the economy.

Traditionally, the system of organizational strategies distinguishes the level of the general corporate strategy (strategy of the development of the enterprise as a whole), the development strategy of individual business units of the organization (strategy of competitiveness), the level of functional strategies (production strategy, personnel strategy, financial strategy, marketing strategy, etc.) and the operational level enterprise strategies. Given the fact that almost every organization is a component of a business system, it is necessary to take into account their peculiarities when forming and implementing a strategy. Business ecosystems have dynamic characteristics that are embodied, in particular, in changes in the structure of the ecosystem, requirements and expectations of participants, their place, roles, number, periodicity and strength of connections between participants. Accordingly, on the strategy competition of participating enterprises business ecosystem is strongly affected strategy ecosystem that is generated her key participants (leaders). We agree with the opinion that the classical understanding of the levels of strategy (general corporate, business, functional, operational) should be supplemented with the level of inter-organizational networks (Juszczyk P., 2018).

We believe that for the formation and implementation of a development strategy, it is important, firstly, to establish partnership relations with institutional components of the business system, which makes it possible to ensure faster adaptation to changing environmental conditions, obtaining the necessary resources that the company needs, but cannot provide at the expense of own potential.

Secondly, when forming a development strategy, it is important to establish partnership relations with the organizations of the business system, which will help ensure the execution of basic and additional business processes (repair, supply, accounting, communication, transport services, advertising, etc.), in that including on the terms, in particular, of outsourcing . It is also important to create interaction with platform systems that provide additional opportunities to provide greater access to consumers, suppliers, etc.

Technological infrastructure business systems allows receive and process information about consumers , choose directions creation competitive benefits and implement to pick them up on the market the best partners for cooperation . In accordance common using creates information systems complementary effect for both consumers and others participants network .

Thirdly, there is very important for provision client-oriented approach, which is very important for modern organization, there is creation partnership relations from organizations that essentially are competitors in a certain market, or him segments. Such actions allow to provide bigger utility final to the consumer and opportunity partner firms to acquire competitive ones advantages that ave synergistic the source.

In general, when developing a strategy for participation in the ecosystem, it should be taken into account that all forms of business ecosystems are characterized by the creation of new knowledge based on the cooperation of organizations with various resources (Tereszko W., Pec M., 2018).

To assess the expediency of the enterprise's participation in the business ecosystem, first of all, it is worth taking into account certain advantages that it can receive. The following are identified as the main advantages of creating, supporting and developing business ecosystems:

- development of new ways of cooperation that minimize external risks and allow to face new social, economic and technological challenges;
- n increase efficiency transfers of knowledge and formation stable competitive advantages ;
- magnification quantity innovations and reducing time to market products and services ;
- reduction production expenses (at the expense of economies of scale and volume);
- higher than average level satisfaction of customer needs, and positive client's experience through extensive collection and analysis data and creation on them basis personalized programs loyalty (Neczaj, 2020);
- discovery new ones channels sales for existing companies products and services ;
- addition values the main proposals firm at the expense of products and services partners ecosystems;
- protection of core business firm from impact others ecosystems;
- expansion existing business firms to adjacent markets;
- diversification activity by creation new ones n enterprises on the basis opportunities provided ecosystem (Ulrich Pidun, Martin Reeves, Balazs Zoletnik 2022).

Secondly, in order to determine the expediency of participation in the ecosystem, it is necessary to evaluate those opportunities, or neutralize the problematic aspects of market features, which the ecosystem provides to participants. In particular, these are fragmented demand, fragmented supply, elimination of the problem of matching demand and supply in time, the problem of trust, establishment of coordination of suppliers, coordination of innovations to ensure new product quality.

Thirdly, to determine the expediency of participating in the business system and developing an appropriate strategy, it is necessary to consider the possible role of the firm in the business ecosystem: founder-coordinator, complementor or supplier. At the same time , it is necessary to take into account that each of these roles is based on clearly defined dynamic capabilities of the enterprise. So, in particular, the founder-coordinator must possess key resources such as a strong brand, a significant client base, established relations with many potential participants, the ability to coordinate their actions, large initial investments, the ability to take risks, the image of an honest partner, the ability to be flexible adapt to change.

Fourthly, it is necessary to assess the prospective usefulness of joining the organization to the ecosystem. To do this, it is advisable to define ecosystems that correspond to the company's strategic priorities. It is also important to study the components of ecosystem management models – decision-making rules, access to customers, obligations, investments, participant restrictions, rules of competition in the ecosystem, etc.

At the fifth stage, it is necessary to determine the level of involvement of the organization in the ecosystem. For this purpose, options for participation in one ecosystem or in several ecosystems are considered. It is also important to decide whether to include the entire offer of the firm in the ecosystem, or whether to include its individual products or services in a fragmented manner. Such decisions are closely related to the methods of competition that have developed within the ecosystem and those competitive advantages that the organization can realize.

Thus , from cities strategies enterprises that is component business ecosystem is defined him role in the system, strategic goals, character participation in others ecosystems . Moreover, the key role for the successful implementation of the strategy in the business ecosystem belongs to those people who create a network of relationships of the organization. It is also important to review the expediency of the organization's participation in the ecosystem, and the readiness for timely exit from it, in particular, due to risks to the brand, competitive discrimination, loss of trust in participants, decline of the ecosystem, emergence of better strategic alternatives, etc.

Greg Sarafin (2021) defines seven types of ecosystem strategies, which have certain differences in the following characteristics: entry to the market, risk distribution, commercial characteristics (Table 1).

Each of the above strategies has implementation features and presents certain requirements for potential participants of the ecosystem. Accordingly, the development strategy of the organization trying to become part of the ecosystem should take into account these features, and the possibility of participation in the ecosystem is determined by the presence of competitive advantages of a certain type in the future participant. In the business ecosystem, due to the interaction of economic entities, a combination of competition and cooperation, vertical integrations and horizontal network relations, formal and informal contracts.

Table 1

Characteristics of ecosystem strategy types *

Type of strategy	Main characteristics	Competitive advantages
Symbiotic Strategy"	A firm that owns a technological platform (or several platforms) dominates the system. Value creation is shaped by the platform. System participants coordinate their strategic decisions with the technological platform	Improvement of the platform due to additional functions and capabilities, expansion of the market due to an increase in the number of sellers provided by the participants of the eco-system , further development of the platform
Ecosystem "market"	The organizer and coordinating brand is the operator of the market platform, which receives a commission from participants for participating in the market platform, implementing the best offer of service providers. Customers of the ecosystem get better satisfaction of their needs in goods and services thanks to the aggregation of the offer in the market	Aggregation of the offer of various market participants in one system
Scaling strategy	Firms participating in the ecosystem engage in one type of business, jointly manage the ecosystem, and often create and finance a management organization.	The effect of scale acting as a restraining factor of external competition for ecosystem participants Use of the existing value proposition
Accretive strategy	All organizations participate in the system with a certain part of the total value proposition for consumers, which is worth much more than the sum of its parts. Participants do not compete with each other.	Selection of partners to increase the profitability of assets without attracting significant additional capital
Cooperative strategy	Network participants are competitors who cooperate to create attractive products for consumers and supply them to the market	Joint innovation and the combination of individual value propositions into a new proposition on the market.
Value chain strategy	Optimizing the overall efficiency of value chain participants	End users get better value from a set of value chain participants
Integration strategy	Bringing together specialized ecosystem participants to create a fully integrated end-to-end solution for customers. The organization acting as an ecosystem integrator manages the participants and provides full commercial responsibility for the operation of the solution offered to the client. The contract is concluded with the system organizer	Brands of individual organizations participate in the value proposition of the ecosystem, whose activities are coordinated by the organizer, which increases the attractiveness of the product for consumers

* *Source : Compiled by the author for Greg Sarafin (2021)*

The development of partnership relations is based on the synthesis of information, data and knowledge. Due to the interaction in the business ecosystem, a new level of knowledge is formed, which allows creating new competitive advantages for each participant. Accordingly, ecosystem strategies can create value both through the development of the firm's core business and through new products and services.

In the conditions of a high level of instability, changes occur in the processes of formation and implementation of the organization's strategy. The traditional process of strategic planning was replaced by a flexible process of defining a development strategy, the differences of which compared to the traditional process are summarized in Table 2.

Table 2

Differences between traditional and flexible strategic planning

Differences	Traditional strategic planning	Flexible strategic design
Scale	Small improvements. Starting with those known to the enterprise	Research. Designing a future that does not yet exist
The direction of development of strategic alternatives	"From top to bottom"	"From bottom to top"
Ways of determining strategy	Thorough analysis, quantitative orientation	Intuition , empathy , quality orientation
Sequence of changes	Clear steps to follow	Ability to adapt and maneuver, steps that adapt as you move forward
Process	Linear, the steps are developed one by one	Iterative process, the steps of which occur simultaneously and can be repeated
Development and presentation of solutions	Persuasion through presentations	Creation of prototypes. Demonstration of real solutions and receiving feedback
Choosing a strategic decision	One of the best, reliable and definitely the best solution	Evaluation of many solutions, search for those that work
The way of making decisions	Traditional meetings, a passive process	Meetings, discussions, active exchange of opinions with all interested persons
Obtaining and searching for information	Verbal information	Visual information from all possible sources
Teaching	Learning after the fact	Continuous learning during the change process

Source: Compiled by author based on Coene S.(2021)

Algorithm of strategy formation (Cascade of strategy development) according to Roger L. Martin (2022) includes the following stages:

1. Formulation of a strategic problem focused on the client.
2. Formulation of a strategic question: how could this problem be solved.

3. Generation of strategic opportunities: where the firm will work, how the firm will work).

4.Specifying a set of strategic opportunities: determining under what conditions each opportunity can be considered a viable strategy. To do this, it is necessary to analyze how customers will react to the realization of the opportunity, the readiness of the firm to realize such an opportunity, and how competitors will react to this strategy.

5.Developing and conducting tests. Clarification of barriers and obstacles to success (communication with clients, social networks, etc.).

6. Choosing a strategic option

Thus, at the heart of the strategy formation process according to Roger L. Martin (2022) is the definition of a strategic problem, the formulation of an idea for its solution based on strategic opportunities.

The use of strategic management in the practice of the activities of organizations shows that if the strategic management system is built correctly, it helps the enterprise to explore and determine the ways of development in the business environment, to coordinate the activities of internal and external stakeholders, to determine and increase the potential of the organization for changes .

The implementation of strategic management as a whole system, or its individual elements, by Ukrainian enterprises is accompanied by certain difficulties. In the writings of domestic scientists, in particular, Kovalska S., Martinova I. (2020), the focus of the heads of enterprises mainly on financial strategic goals, the inability to assess one's own potential and the possibility of its development, the lack of mastery of modern strategic management technologies are noted as problematic aspects of the application of strategic management insufficient attention paid to the organizational support of strategic management. In addition, the lack of developed strategic thinking among managers leads to significant problems in managing the organization.

Especially the difficulties of implementing strategic management are characteristic of working in conditions of high level of instability and systemic crisis caused by the war in Ukraine. During the war, the emphasis in the formed strategic goals of the development of organizations shifts. First of all, Ukrainian enterprises need strategies that allow them to cope with significant uncertainty, survive and preserve their business. In times of war, understanding how government and local communities are willing to support business is absolutely critical to managing the strategy implementation process. In this sense , the priority is the establishment of communications, the search for options for cooperation that will provide additional opportunities for the survival and development of the organization.

Also, in the conditions of martial law, the formation of partnership ties and the implementation of joint projects by organizations of different forms of ownership and spheres of activity acquire special importance. The formation of partnerships also with enterprises of related industries allows to increase the consumer value of goods and services. Accordingly, it is the application of the partnership strategy that contributes to the maximum use and development of competencies and dynamic abilities of cooperation participants, which allows to overcome the problems of functioning in war conditions and satisfy the needs of consumers at a qualitatively new level. The positive effect of such cooperation is the result of the use of joint knowledge, opportunities and joint resources of enterprises. We believe that strategic partnership not only contributes to solving the urgent problems of business survival in today's extremely difficult conditions, but also creates the foundations for the post-war revival of Ukraine's economy.

In order to find possible strategic alternatives for the development of the enterprise, it is important to constantly monitor the actions of business owners, leaders of enterprises in related and other areas of business and learn from the experience of those who were able to establish activities in the conditions of military operations. The use of such positive experience contributes to the improvement of management efficiency.

For the successful implementation of the strategy during the war, strengthening the image of the enterprise in the eyes of consumers and the local community is of exceptional importance. If such actions are not planned and implemented, the company risks losing market share, which will be taken by competitors who were able to implement cooperation with local authorities, clients, and various groups of local stakeholders.

In our opinion, changes related to the organizational culture of the enterprise are of particular importance today. In the conditions of an unpredictable environment, the company's personnel become its main strategic resource based on knowledge and competences . Therefore, one of the effective levers for the implementation of the strategy is the comprehensive support of the personnel, which contributes to the formation of trust in the management and loyalty to the organization. Undoubtedly, the key role in ensuring the survival of the enterprise and its development belongs to the owners and top management. Their emotional stability, flexibility, ability to set goals**,** think critically, quickly make and implement decisions are of decisive importance.

Summarizing the results of research on the practice of managing enterprises in the conditions of military operations shows the presence of the use of either elements of strategic management (mainly small and medium-sized enterprises), or the strategic management system in its entirety (large business organizations). So, in particular, despite the low level of the Ukrainian business activity index (33.9 and 33.4 points out of 100 as of September 2022 and April 2023, respectively) (CID.center, 2023) throughout the entire period of the systemic crisis, indicating negative expectations from the further development of events, enterprises applied strategy development and actively implemented changes to effectively adapt to these difficult conditions.

At the same time, more than half of the investigated enterprises (55.5%) carried out intuitive management, and 33.4% of their total number had a strategy and tried to quickly adapt to changing circumstances. Also, the surveyed enterprises testify to the shortening of the terms of strategy development (Table 3).

Table 3

Terms of strategic development planning by enterprises of various sizes

Type of business by size	Terms of activity planning, (% of respondents)			
	For one month	for one quarter	for half a year	for a year or more
Microbusiness enterprises	60.0	14.0	4.0	2.0
Small business enterprises	56.0	18.0	5.0	5.0
Medium business enterprises	41.0	18.0	11.0	5.0
Big business enterprises	-	21.0	7.0	5.0

[1] *Compiled by the author for CID.center (202 2)*

Analysis results research (table 3) shows that in the conditions war small and medium enterprises business plan their activities maximum per month . Majority interviewed of large business enterprises carry out planning strategic actions per quarter. Managers and owners n enterprises apply scripted approach to definition strategic actions _ Moreover for the vast majority of Ukrainian enterprises , maintaining existing competitive advantages based on available resources and competencies has become a more urgent task than long-term sustainable competitive advantage based on values. rare and irreplaceable resources.

In an effort to increase resistance to existing and future threats, enterprises reduce innovation of various types and try to focus their attention on business strengths and competitive advantages that have been successfully implemented in the past. As a result, the main strategic changes focused on enterprise strategies are aimed at risk limitation and reorientation of attention from long-term strategic goals in favor of short-term goals, mainly on survival.

Management of the implementation of the company's strategy during the war must take into account both organizational and social factors. In particular, the emotional state of employees, the selection of key areas of change and the appointment of those responsible for these areas, and decentralization in decision-making are key to success . The Objectives technique becomes an effective tool and Key Results , which involves setting goals and measurable indicators of their achievement and allows you to move step by step and determine the effectiveness of the implemented changes provided for by the strategy. With regard to the personnel of the organization, it is important to learn and master several additional skills and competencies required for the implementation of business processes, to identify "reserve" specialists at the enterprise for each strategic direction of development. In general, it is very important becomes transition from classic positions and functions to competencies and skills in.

Except features working conditions war important is also taking into account those driving conditions business that changed as a result formation new digital economy. Development strategic management in conditions digital economy certainly imposes imprint as on directly on the process itself strategic management , as well as on tools and methods that at the same time are applied. Digital the economic structure is changing traditional business models organizations and methods competition market participants and causes necessity adjustment n approaches to formation strategies development and its implementation, those processes that essentially and make up content strategic management . In accordance strategic management development organizations must consider systemic changes that take place on a regular basis formation in our the country digital economy and integration of our enterprises into the world economic space.

Summarizing the above, we can come to the conclusion that the strategic management of the organization is transformed in accordance with the changing conditions of its activity. At the same time, the common features inherent in the system of modern strategic management are the use of data for making strategic decisions in real-time conditions; high decision-making speed; customer orientation of all business processes of the enterprise; participation of enterprises in the formation and development of digital eco-systems.

Let's define the main ones characteristic features implementation strategic management organizations that work in the conditions high level uncertainty.

First of all, it is worth noting the need for continuous monitoring of the external environment, which becomes critically important for identifying new trends, risks and opportunities. Tracking technological advances, regulatory changes, market changes, competitors' activities and regular analysis of the received information helps the organization stay abreast of events and adjust its strategies in a certain way.

Volatility requires flexibility and adaptability from organizations. This involves openness to change, acceptance of innovation and the ability to quickly adjust strategies in accordance with changed conditions. Flexible organizational structures, optimized decision-making processes and giving employees the opportunity to make decisions can increase the responsiveness to new realities.

In volatile environments, traditional forecasting may be less reliable, requiring a scenario-based approach to creating an organization's strategy. Scenario planning involves developing several likely future scenarios based on different forecasts and evaluating their potential impact on the organization. This helps predict different outcomes and prepare contingency plans.

Since instability creates significant risks, risk management should be an integral part of the strategic management of the organization's development. Diversification of income streams and development of new markets or product lines can help distribute risks. Also, cooperation with other organizations, industry associations or government bodies can provide access to resources, knowledge and experience that can help reduce risks and benefit from existing or future opportunities. Also, strategic alliances and partnerships can help organizations use additional advantages and increase their competitiveness.

Personnel is crucial for strategic management in unstable conditions. Organizations must focus on attracting, developing and retaining skilled and adaptable employees . Investing in training and development programs, developing a learning culture, and involving employees in strategic decision-making can strengthen an organization's capabilities.

In volatile times, clear and frequent communications with stakeholders, including employees, customers, suppliers and investors, are essential. Establishing transparent communication builds trust, manages expectations and reduces uncertainty, allowing the organization to gather valuable feedback and ideas from stakeholders.

Strategic management of an organization during wartime is an extremely complex task that requires careful planning, quick decision-making, and adaptability. For a specific enterprise, this process has certain features. But first you need to assess the impact of war and understand the specific consequences of war on the organization, such as disruptions in supply chains, changes in consumer behavior, potential security risks and regulatory changes in the business environment, etc. It is necessary to carry out a comprehensive assessment of strengths and weaknesses, opportunities and threats for the organization in conditions of war.

Also, during the war, it is important to define the clear goals of the organization. The key goals, the implementation of which will affect the achievement of stability and the survival of the organization, are the safety and well-being of employees, the maintenance of basic operations, the minimization of losses, the search for new opportunities that arise in connection with the change in the main characteristics of consumers and market dynamics. One of the important goals in the conditions of a systemic crisis caused by war is to ensure business continuity. Therefore, it is a component strategies there must be a plan which will determine how the organization will continue work during the war . In this context importantly to determine critical functions and resources which in need protection or application alternative measures, to develop protocols emergency response situations and channels communication to ensure continuity work.

In a highly volatile environment, strategic development management requires scenario planning and risk management: In the process of strategy formation, it is necessary to develop scenarios that take into account various contingencies and uncertainties associated with war. It is important to assess the potential risks and challenges associated with each scenario and develop risk mitigation strategies, such as creating buffers in supply chains, diversifying markets and implementing robust security measures. It is also worth establishing cooperation with relevant state institutions, local administration to participate in cooperation programs and use available support. An integral part of the strategic management process is the search for opportunities to cooperate with other organizations that can provide mutual support and resources during wartime. Strategic alliances they can help soften risks to share knowledge and experience, as well as use collective strengthening benefits positions in the undefined times. In order to be flexible reaction first of all on problems, it is necessary support transparent and timely communication with by all by interested parties, including employees , customers , suppliers and investors. Their necessary inform about strategies, initiatives and positive the results implemented changes organization, provide regular an update on how the war is going affects organization and implementation her plan in.

The implementation of strategic management in today's complex conditions is based on ensuring the well-being and safety of the organization's employees. It is therefore important to implement measures to protect workers during wartime, such as ensuring a safe working environment, providing the necessary training and time, and offering services to support the mental and physical health of staff.

Conditions business environment during the war they can quickly to change Therefore it is necessary to be ready adjust strategies and tactics in moderation development situations . Important is set-up continuous monitoring the environment environment, gathering data and acceptance substantiated solutions based on information in real time. In addition, it is necessary give assessment potential opportunities and challenges after stabilization situation and accordingly to adjust strategies organizations.

Management organization during the war requires a combination strategic predictability, resilience and adaptability. Carefully evaluating situation, developing reliable plans, determining priorities for well-being employees and supporting effective communication, organization they can navigate the challenges war and position itself for recovery and growth after her ending.

It is clear that after the end of the war, long-term strategic changes will be needed to navigate and develop in the new environment resulting from socio-political, technological and institutional changes.

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