

# Comparative analysis of innovative and socio-economic development of enterprises and other purposeful systems

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## Abstract

The purpose of the study is the scientific substantiation of theoretical and methodological support of innovative and socio-economic development of enterprises and other purposeful systems. The study uses the latest provisions of the theory of social development, systemology, economic information theory, institutional and neo-institutional economic theory, strategic, industrial and innovation management. Development is defined as the archetype of entrepreneurship and the most important category of socio-economic life. The study established a link between socio-economic and innovative development of enterprises and other socio-economic systems. The directions of business that suffered and developed during the corona crisis were analyzed and an assessment of its innovation was provided. The mutual influence of socio-economic and innovative development of enterprises is proved. Peculiarities of development of innovation activity in the conditions of imperfect branch structure of economy are substantiated. It was emphasized that Ukrainian enterprises should adapt the market and business experience of the world is leading countries, improve infrastructure and the institutional environment, increase human capital, knowledge and technology. The direct vector of innovative development for Ukrainian entrepreneurship is Ukraine's integration into the EU: for enterprises and educational and research institutions – into the European Scientific Area, infusion into clusters specializing in «aerospace industry» – south-eastern Poland, «toolmaking» – Slovenia, «automotive industry» – Slovakia. Emphasis is placed on the expediency of applying the world practice of creating new targeted tools to support the economic and innovative development of entrepreneurship on the basis of medium-term and long-term programs and strategies.

**Keywords:** innovative development, socio-economic development, enterprise, innovations, integration, digitalization, globalization.

## Introduction

At the epicenter of the paradigm of modern innovation, development of socio-economic systems is the interaction of three driving forces of economic growth: human capital, information and innovation, which are unique in their inexhaustibility and convincing impact on all processes in society.

The emphasis on innovation in entrepreneurship, along with the development

of space, biological, advanced and information technologies, data processing, agriculture – placed in the eighth and ninth EU framework programs – FR 8 Horizon 2020 and FR 9 Horizon Europe - the largest transnational program to support research and innovation. The latter is announced as a program for a green, healthy, digital and inclusive Europe, which identifies its priority themes.

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The development of the innovation ecosystem today reflects the most important need of society – global resource saving, which gives priority to energy-saving and innovative technologies that do not require excessive resources for operation.

Despite the stated high goals and set priorities, the country's innovation activity is slowing down, the chain of innovation activity is collapsing, and, as a result, the technical level of production is declining and the output of progressive products is declining.

Despite the fact that the innovative development of entrepreneurship in Ukraine has clear signs of continuous improvement, it is too slow and is currently accompanied by recurrent economic crises, structurally deformed economy, global turbulence, oligarchization, shadowing of the economy and

the risks associated with COVID-19. Problems of innovative development of enterprises at the levels of individual-group environment of an individual enterprise, nanoenvironment, submicroenvironment and microenvironment, due to lack of innovation culture, insufficient support of top management and employees within enterprises, lack of common goal, mission, vision, lack of resources innovation and, most importantly, the lack of a common understanding of what innovation is. Solving these integrated problems requires the development of appropriate theoretical, methodological and scientific-practical base.

The purpose of the study is the scientific substantiation of theoretical and methodological support of innovative and socio-economic development of enterprises and other purposeful systems.

## Material and methods

The original theoretical material and methodological approaches of the author are based on a critical generalization of research results of innovative development of purposeful (socio-economic) systems based on the study of the new role of knowledge, science, informatization and innovation, reflected in the works of many scientists, including the works of J.A. Schumpeter, P. Drucker, F. Nixon, M. Porter, B. Santo, J. Howe.

Development is a special phenomenon, noticeable in practice and in consciousness, which is not found among the phenomena inherent in the circulation or the tendency to equilibrium, it is a change in the trajectory along which the circulation is carried out, a shift in the state of equilibrium. With this definition, Schumpeter clearly distinguishes between development and growth. Regarding the latter, the founder of the innovation theory notes that economic growth does not give rise to qualitatively new phenomena, but only gives impetus to the processes of their adaptation, just as it happens when natural indicators change (Schumpeter, J., 2003).

Development is a multifaceted, all-encompassing category, which is characterized

by both Apollonian (rational, purposeful, balanced) and Dionysian (irrational, unbalanced-orgiastic, chaotic) principles (Shynkaruk, V., 2002).

Selected signs of development – «simultaneity of quantitative, qualitative and structural transformations», «deployment in time», «formation of new properties», «purposefulness of the transition to a new attractor» and «increasing the degree of order of the system» (Kuchyn, B. et al., 1990; Raievnjeva, O., 2006; Hacken, H., 1980; Shmatko, N., 2019).

According to the typological feature, development is divided into intensive (Latin *intensio* – stress, strengthening; using more efficient means of production, gains STP, methods of labor organization) and extensive (Latin *extensivus* – expanding, lengthening; by increasing factors of production in quantitative and not qualitative expression). The modern business economy is mostly based on revolutionary (bifurcation) and intensive forms of development. Economic development is manifested in specific activities aimed at qualitatively changing the economic situation of the enterprise, in the process of which all

available resources are used. Socio-economic development is «a process of continuous change in the material basis of production, as well as the whole set of various relations between economic actors, social groups» (Universal explanatory dictionary of the Ukrainian language, 2021). Recently, the efforts of civilization are aimed at socio-economic development of SES as a process of empowerment and choice of people (Libanova, E., 2007); freedom (Sen, A., 2004); civilizational dialogue of nature and culture (Dorohuntsov, S. et al., 2005); planned, regular and consistent process of specific measures for research and development, creation of innovations and their development in production in order to obtain new or improved products, new or improved production technology, implementation of new management technologies and organizational updates (Bondarenko, S., 2019).

It should be added that the development may be progressive, random and fuzzy, for example, in a «planning crisis» in overcoming the effects of acute respiratory disease COVID-19 caused by the coronavirus SARS-CoV-2. Rather, the development of the enterprise is a progressive dynamic change in its qualitative composition (transition from one state to another), while the innovative development of the enterprise is a change in the qualitative composition of the enterprise through innovation – «the main impetus for development» (Mensch, G., 1979).

## Results and discussion

Paying tribute to the multifaceted nature of the process of development of socio-economic systems, it is extremely important to focus on the direct characteristic of intensive development – innovative development of enterprises, which is functionally closely linked to innovation.

Entrepreneurship as an innovative activity, in essence, is always at the epicenter of threats and opportunities that arise at the junction of new prospects and old socio-economic problems. The most difficult and important problem it faces, according to the authors of the concept of post-industrial society, is the

The development of the enterprise can be defined as «the process of quantitative and qualitative changes of negative and positive nature in the enterprise during the period of its existence» (Kaparulina, I., 2014); «the process of forming a new dissipative structure, expressed in a qualitative change in the composition, structure and method (models) of the system, which is manifested in a lysis or crisis form and aimed at achieving changes in global goals of the enterprise» (Raievniewa, O., 2006); «accumulation of changes that destroy the balance and equilibrium in the socio-economic system and create conditions for economic growth, the transition of the system to a new quality» (Krasnokutska, N., 2003). A special place in the study is occupied by the category of sustainable development of the enterprise, which should be understood as «targeted balanced long-term development of adaptive nature that does not disturb the balance of the environment, while maintaining stable main characteristics of the enterprise and ensures its competitiveness based on management» (Bondarenko, S., 2019).

Development is the archetype of entrepreneurial activity. Modern Scientists aptly stated that «it is the new quality of growth, which we call development, is a consequence of the innovative nature of entrepreneurship in the field of material production» (Zakharchenko, V. et al., 2019).

problem of innovation.

The ever-increasing hyperinterest in innovation, not least due to high expectations and, at the same time, the truth about the characteristics of their nature as a product or service that can benefit and improve the quality of life; as a result of combining the most valuable resources today – knowledge, intelligence, wisdom, experience, creativity, abilities, freedom, time and information.

According to Drucker, the source of innovation is a random event, the mismatch between reality and perceptions of it, the need for the process due to its existing shortcomings,

random changes in the structure of industry or market, demographic changes, changes in society's perception, mood, values, new knowledge (Drucker, P., 2006). F. Johansson considers the source of innovation to be the intersection (combination) of different disciplines (cultures, spheres) (Johansson, F., 2011).

Given that human resources and physical capital are the main factors of value formation in the industrial economy, innovation – in innovation, knowledge and information – in knowledge, consider economic views on man, information and innovation in chronological terms (Table 1).

**Table 1. Predicates in the concepts of the scientific discourse of human-innovation interactions**

Period	Man like	Innovation as	Characteristic value of the period
4th century BC	goal of development (Aristotle)	supernatural phenomenon; meaningless engine of civilization development (Zubkov, R.)	Justice
15-17 centuries	means of wealth (Mann, T., Pososhkov, I., Montchretien, A.)	a significant factor in Western growth (Rosenberg, N., Birdzell, L.)	Accumulation of capital; The 1 Scientific and tech revolution
17-18 centuries	goal (Kant, I., Kettle, A., Lavoisier, A., Malthus, T., Ricardo, D.), wealth (Petty, V.), part of social wealth (Smith, A.)	comprehensive and dominant feature of economic life (Rosenberg, N., Birdzell, L.)	Consumption of goods
The beginning of the 21st century	the main goal of social development; the epicenter of development theory; tool of own development (Libanova, E.); a key element of civil society; economic man (Doroguntsov, S.)	conscious and recognized value (Chuiko, V.)	Information, knowledge, skills, wisdom, intellect, experience, time, creative gift
Modernity	corner worldview category	absolute; the backbone of social intelligence; the locomotive of economic growth (Harry, F.); basis of development	Economic time, information, competencies, creativity, expertise, hyperconnectivity

Source: supplemented by authors according to (Amosov, O., 2009; Libanova, E., 2007; Goryashchenko, Y., 2014; Rosenberg, N.; Danylenko, Y., 2018).

Consideration of human relations, information and innovation as the epicenter of theories of development and management in historical retrospect is important from the standpoint of filling these processes with new qualitative content. Leading domestic philosophers aptly emphasize that in our time «human-innovation» interactions take place in a way that in society people do not unite into a homogeneous total set

(brothers and sisters, peoples, tribes, classes, ethnic groups, etc.) and form a complex space of social ties, able to acquire qualitatively new properties through the combination of different people as carriers of their otherness, able not to deny it, to act in their unique interests (Dobronravova, I. et al., 2018).

A characteristic value of the modern period, a kind of norm of existence is hyperconnectivity –

communication between man, man-machine and machine-machine. Thus, today the issues of atomization of society, sociology of innovations, formation of innovations and problems of its scientific status are becoming more and more frequently the subject of discussions.

In the time of endless information opportunities, a special place in economic research is occupied by the innovative development of purposeful (socio-economic, economic and production) systems, in particular, enterprises.

Systematic research of innovative development of enterprises is based on a systems approach (systems thinking) and is often used in innovation policy.

The parameters of the system that determine its properties are intelligence (management part), natural production base (managed part), the normal state of all parts of the system, organization and self-organization, regulation and self-regulation. Economic systems are characterized by a transition from one state to another.

$$S = \begin{bmatrix} 0,5a & 0 & 0,5a & 0 & 0 \\ 0 & 0 & 0,5g & 0,5g & 0 \\ 0 & 0 & 0 & 0,5n & 0,5n \\ 0,25m & 0 & 0,25m & 0 & 0,5m \\ 0 & 0 & 0 & 0,5b & 0,5b \end{bmatrix} \quad S = \begin{bmatrix} 0,5a & 0,3a & 0,2a \\ 0,4g & 0 & 0,6g \\ 0,7n & 0,1n & 0,2n \end{bmatrix}$$

1 2

**Figure 1. An example of matrices of probabilities of transition of the system from one state to another**

*Source:* author's development according to (Markov A., 1906)

The transition probability matrix and the transition graph of a homogeneous Markov chain (Markov A., 1906) with five (1) and three states (2) are shown in Fig. 1. The sum of the elements in each row is equal to one, which means that the system  $S$  must either move from one state of  $S_i$  to another, or remain in the state of  $S_i$ . The main states of the system have characteristic features, such as: transient (non-return to the previous state), recurrent (permanent return to the previous state), absorbing (being in the same state), metastable (transition between one group of states is very likely in the second group of states – unlikely), indecomposable (transition from one state to another in a finite number of steps), periodic (return to the state occurs in 1 step), aperiodic (return to the state occurs in more than 1 step), ergodic (exact hit from one state to another using a universal value), trigger (inherent in innovative systems).

In the context of increasing genuine interest in the problematic issues of building an innovative

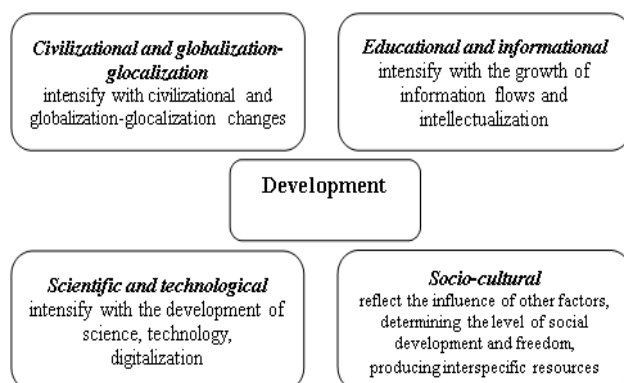
ecosystem in Ukraine, the problems of innovative development of the enterprise as its main element, are studied by a wide range of scientists. However, the very concept of innovative development of the enterprise (business, entrepreneurship) is mostly used in context.

Content analysis of a number of theoretical sources, generalization of author's approaches to identifying the essence of innovative development of enterprises, allows us to consider the current innovative development of the enterprise as an interaction of institutional forms capable of long-term economic growth as a result of intelligence, new knowledge, creative gift and information in the same and related and non-related types of economic practice in the process of extremely controlled by modern economic laws of civilizational change in order to obtain high results for society in the form of valuable products, services, processes. Whereas economic laws today, as never before, are «sharpened» by limited goods and unlimited needs.

The main factors of development are:

- Educational and information (determined by information, globality, the level of intellectualization of society);
- Civilizational and globalization-glocalization (formed under the influence of contradictory and complex globalization and glocalization economic processes, goals of sustainable development, international integration, postmodern economy, hyperconnectivity, etc.);
- Economic and production (factors of competitive advantage);
- Scientific and technological;
- Socio-cultural;
- Ecological;
- Organizational and managerial.

At the micro level, shown in Fig. 2 the scheme of dissemination of factors influencing innovation development is best represented in the partnership of business, government, the public and the scientific and academic sector.



**Figure 2 – Formalization of determinants of innovation and socio-economic development**

Source: author's development

Given the growing role of innovation in society, the priority of innovative development of Ukrainian entrepreneurship, contextualized by the process of deep economic transformation. It is worth noting the difficulties in the perception of innovation in our society, associated with the slow cyclical flow of the «idea of knowledge» of innovation in the «idea of good» of innovation.

For a comparative analysis of socio-economic and innovative development, it is advisable to

analyze the areas of business that have suffered and, conversely, developed during the corona crisis and give an assessment of its innovation in Table. 2.

**Table 2. The main areas of business affected and developed during the COVID-19 pandemic**

Areas of business affected	*	Developed directions	*
Cultural and entertainment establishments (cinemas, theaters, concerts)	-	Scope of food products	-
HoReCa (hotels, restaurants, catering)	-	Medications Hygiene products	+ -
Tourism	-	Delivery services Internet commerce	- +
Sphere of air services Sphere of passenger transportation	- -	Online learning and business education	+ +
Sphere of cosmetic services	-	E-commerce	+

Source: author's development

\* (partial) affiliation to high-tech goods / services

As can be seen from Table 2, there is an increase in the production and consumption of high-tech goods and services such as pharmaceuticals (antibiotics, vaccines, etc.), computer and office equipment, electronics and telecommunications, e-education.

Assessing the current state of socio-economic and innovation systems of Ukraine, we should focus on statistical evaluation.

It is worth noting that, among other things, the difficult socio-economic situation is exacerbated by the focus on some industries that were a source of growth in Soviet Ukraine. The historical experience of many European countries and the United States shows a rapid decline in the number of employees of the largest enterprises, high unemployment and recession in a period of technological change, with the simultaneous growth of small business (Drucker, P., 2006).



**Table 3. Analysis of the intensity of the dynamics of the main indicators of socio-economic development of Ukraine**

Indexes	Growth rate, %		Impact on market demand (D), supply (S), price (P) *
	2019/2018	2020/2019	
Average monthly salary of one employee: <i>nominal, UAH</i>	118,4	110,4	D – is growing S – does not change P – is growing
<i>real, %</i>	109,8	107,4	D – is growing S – does not change P – is growing
Consumer price index	107,9	102,7	D – is growing S – decreases P – is growing
Industrial production index	99,5	94,8	D – decreases S – decreases P – is growing
Index of agricultural products	101,4	88,5	D – is growing S – does not change P – is growing
Index of construction products	123,6	104,0	D – is growing S – does not change P – is growing

Source: author's development based on State Statistics Service of Ukraine

Decrease in the level of key indicators of innovation activity, which is accompanied by a significant reduction in the number of researchers, reduction of funding for science from the budget, reduction of the share of new innovative products for the world market, reduction of the balance of exports and imports of technologies public debt, an increase in the shadow economy (as of 2016 – 50% of GDP) and a reduction in nominal GDP in dollar terms.

One of the urgent tasks of economic policy is to introduce social control over structural and institutional factors of inflation, which will provide appropriate conditions for intersectoral competition and redistribution of profits in favor of high-tech industries. Technological renewal of traditional industries and priority development of industries that form new technological systems will contribute to the growth of Ukraine's economy on a qualitatively new basis and create conditions for full participation of our state in the system of world economic relations.

Today, society has entrusted hopes and expectations to innovation, and

entrepreneurship has become not a purely economic but also a social category (it is not just about social entrepreneurship). In the special conditions of postmodernization, there is a need to study innovative trends and strategies of modern entrepreneurship.

First, it should be noted that modern entrepreneurship is developing in the context of digitalization of Ukraine's economy, and since the nature of digital (digital) economy is endowed with global content, entrepreneurship should be studied as an element of global innovation ecosystem. Modern officials (forces) of innovation – migration between countries and cultures, convergence of sciences and a breakthrough in computerization. To date, the factors that have ensured economic growth in recent years (idle production capacity, cheap energy, and favorable external conditions) have almost exhausted themselves, and high-quality intensification of innovation and investment processes is becoming a vital issue.

The introduction of such technologies, on the one hand, will ensure the organization of mass production of high-tech products for economic

purposes, on the other – will provide an opportunity to maintain critical knowledge-intensive technologies of the defense industry. The revival of domestic production of many types of engineering products, which are based on dual-use technologies, may be one of the main sources of increasing the revenue side of the state budget. From the analysis of world technological development in the regional context, it follows that today there is a very high level of differentiation of the world, i.e. there is a clear global technological gap. In the absolute sense, everyone will benefit from the development of new technologies, while in the relative sense, the countries of the technological core will certainly benefit – the United States, the People's Republic of China, Japan, the Federal Republic of Germany, the United Kingdom of Great Britain and Northern Ireland and the French Republic. technological circle – Canada, the Italian Republic, the Kingdom of Sweden, Australia, the Kingdom of the Netherlands, the Republic of Korea. In fact, the globalization of major markets does not leave Ukraine with an effective opportunity to maintain the current situation in the country. Either Ukraine accepts new challenges and assumes the risks of participating in the international division of labor, actively trying to find its place in the world economy, or preserves the current structure and trend of socio-economic and innovative development, or its innovation ecosystem becomes recurrent or absorbing. All this gives grounds to argue about the interaction of socio-economic and innovative development of purposeful systems.

According to the website of the Minfin, as of 2020, Ukraine's economy (emerging market economy) ranked 41st in the world in terms of GDP per capita – 527.2 billion dollars USA (Website of the Minfin, 2022).

Unbalanced sectoral, political, financial and real-sectoral structure of Ukraine's economy has led to the fact that, according to experts, «the next 5 years in Ukraine there are no conditions for any positioning among the leaders – the leading 20-30 post-industrial countries»

(Yurchak, O., 2019). In the innovation dimension of development in 2020, Ukraine ranked 45th out of 131 countries in the Global Innovation Index (GII), which we will consider a good result given the trend of continuous improvement, and the fact that among the countries ahead it is 91% of high-income economies and 9% of middle-income economies. Thus, Ukraine ranked second in the GII among 29 countries with lower-than-average incomes, behind Vietnam and ahead of India and the Philippines. In the ranking of countries according to the index of information and communication technology development (IDI) in 2020, the country ranked 79th out of 167 countries. According to other indicators of the «innovation portrait» («innovation scoreboard» proposed by N.M. Kraus and K.M. Kraus), which contains the main ratings of countries: the index of ease of doing business Doing Business – 64th place (Doing business Reports, 2019), the index of economic freedom – 162nd place (The World Economic Forum, 2021), Network Readiness Index (NRI) – 64th place; index of results of innovative production – 37th place. In addition, Ukraine ranked 93rd in institutions, 94th in infrastructure, 23rd in education, 44th in R&D, 23rd in terms of knowledge creation (patents and inventions), 123rd in terms of political stability and 123rd in terms of government efficiency – 93rd place, according to the rule of law index – 109th place, according to regulatory policy – 88th place, according to human capital and research – 39th place among 131 countries (The Global Innovation Index, 2020).

The indicator of the consolidated innovation index (SII) in the European Innovation Scoreboard in Ukraine vis-à-vis the EU has a stable downward trend (from 38.9% in 2014 to 29.8% in 2021) (European innovation scoreboard, 2021). Given the limited availability of data in the country (lack of 12 indicators), unfortunately, Ukraine risks being excluded from the European Innovation Scoreboard.

Developed index of readiness for technical innovation in the report on technology and innovation for 2021, which includes 5



components: ICT implementation, skills, R&D, industry and access to finance, among European countries ranked Ukraine higher than countries such as Belarus, Montenegro, Northern Macedonia, Georgia, Bosnia and Herzegovina, Moldova, Albania, and below – Bulgaria, Romania, Latvia, Greece, Hungary, Slovakia, Slovenia, Cyprus and other countries. According to this index, Switzerland is the most ready for technical innovations in Europe, Singapore in Asia, the United States in North America, Brazil in Latin America and the Caribbean, Australia in Oceania, and Saudi Arabia in Africa.

The vast majority of the above-mentioned countries with competitive advantages in the field of innovation have the highest level of human development (Norway – 1st place, Switzerland – 2nd place, Australia – 8th place, Singapore – 11th place, USA – 17th place in terms of human development). In Ukraine, the level of human development in 2020 was defined as high (according to the corresponding indicator, the country ranks 74th).

It is important for Ukraine to be included in the EU Digital Economy and Society Index (within the framework of the Roadmap for Integration into the EU Digital Single Market).

The share of exports of goods used in the production of high and medium-high technologies in total exports of goods (such as chemical products and related industries, polymeric materials, machinery, machinery, electrical equipment, land vehicles, aircraft, floating means, the 90th subgroup of the group of instruments and optical and photographic equipment) decreased in Ukraine from 19.2% in 2015 to 16.4% in 2019. The share of value added by production costs of enterprises belonging to the medium-high-tech sector of the processing industry is 3.8% (State Statistics Service of Ukraine, 2021). There is a clear tendency to reduce the cost of research and development in GDP: the share of such costs in 2019 was only 0.43%. The share of mechanical engineering and socially oriented industries is declining due to higher rates of decline in real production volumes due to insufficient demand

for these products and the lack of conditions to increase their competitiveness.

The current structure of GDP with understated share of services (especially knowledge-intensive diagnostic and experimental, services of commercialization of innovations, consulting) and slightly inflated share of agriculture in the economy of relatively developed countries, does not meet the principles of post-industrial economy transformation of knowledge, science and informatization into a direct productive force. Therefore, an important problem of economic development, which entails negative social consequences, is the weakness of the consumer and the selectivity of the fund-forming segments of the economy.

It should be noted the peculiarities of the development and deployment of innovation in an imperfect sectoral structure of the economy. Decrease in the level of key indicators of innovation activity, which is accompanied by a significant reduction in the number of researchers, reduced funding for science from the budget, reducing the share of new innovative products for the world market, reducing the balance of exports and imports of technology, public debt, an increase in the shadow economy and a reduction in nominal GDP. It was emphasized that Ukrainian enterprises should adapt the market and business experience of the world is leading countries, improve infrastructure and the institutional environment, increase human capital, knowledge and technology. In turn, the state should facilitate the ease of doing business by helping to restore the solvency of innovative enterprises, the organization of foreign trade, lending, property registration, protection of investors' rights. A direct vector of innovative development for Ukrainian entrepreneurship is Ukraine's integration into the EU, respectively for enterprises and educational and research institutions – into the European Scientific Area, infusion into clusters specializing in «aerospace industry» – south-eastern Poland, «instrument production» – Slovenia, «Automotive industry» – Slovakia, etc.

It should be emphasized that it is expedient to apply the world practice of creating new targeted tools to support economic and innovative development of entrepreneurship on the basis of medium and long-term programs

and strategies, as opposed to most existing ones spheres of socio-economic life and are unable to overcome the economic consequences of the pandemic and the collapse of the capitalist value system.

## Conclusions

Systematic study of innovative and socio-economic development of enterprises in theoretical and methodological aspects allowed drawing the following conclusions. Firstly, this study deepens the existing scientific conceptual provisions and theoretical and methodological principles aimed at substantiating the innovative and socio-economic development of purposeful systems. Secondly, the main states of the innovation system, which under the influence of civilization and globalization-glocalization challenges are conceptually improved to the level of innovation ecosystem – transitional, recurrent, absorbing, metastable, indecomposable, periodic, aperiodic, ergodic, trigger. In third place, each type of economy is characterized by determinants of value formation. A retrospective analysis of the concept of the scientific discourse of human-innovation interactions revealed human resources and physical capital as the main factor in value formation in the industrial economy, innovation in the innovation economy, and knowledge and information in the knowledge economy. In this regard, innovation is considered a supernatural phenomenon, a

meaningless engine of civilization, creation (before the era of our era), a significant factor in Western growth (15-17 centuries), Comprehensive and dominant feature of economic life (17–18 centuries), living water of development, introduction of new combinations (end of 19–1 half of the 20th century), fundamental basis of cultural events (60-90 years of the 20th century), conscious and recognized value (beginning of the 21st century), absolute, framework social intelligence, the locomotive of economic growth, the basis of development (modernity). Besides, in order to ensure the theoretical organization of existing knowledge, the main approaches to understanding the essence of innovation were identified. The analysis clarified the meaning of the concept of «innovation», which is the result of combining intellectual resources and information in the same and related and non-related activities and areas in the process of highly controlled by modern economic laws of civilizational change to achieve high results for society valuable products, services or processes.

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