

**A FORMATION OF THE VALUE OF INTELLECTUAL CAPITAL AT THE
MESO-LEVEL IN THE CONDITIONS OF DECENTRALIZATION:
A CASE-STUDY OF KHARKIV REGION**

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It was proved by science and was confirmed by practice that the formation of intellectual capital, its accumulation, use, estimation as well as development is a key part of successful regional economic strategy. For obvious reasons, an exploration of the problems related to the determination of the value of intellectual capital at the meso-level is an actual both scientific and practical task.

A significant contribution to the determination of the value of intellectual capital at the meso-level and its impact on growth, employment and competitiveness of the region has been made by foreign and Ukrainian economists, in particular, N. Bogdan, T. Borovikova, U. Bronisz, V. Filinov, W. Heijman, N. Huzina, M. Kuyantseva, A. Lerro, P. Makarov, J. van Ophem, M. Ovchinikov, G. Schiuma, I. Teslenko, I. Zhuravlyova and others. Taking their studies into consideration, this writing is focused on the peculiarities of the formation of the value of regional intellectual capital in the conditions of decentralization.

The purpose of this writing is to form a set of indicators that make up the value of regional intellectual capital in the conditions of decentralization and, on its basis, to calculate the value of intellectual capital of Kharkiv region in 2015-2017 as well as to make some recommendations on how to increase that index.

In order to achieve the purpose of the writing, the author propose to take the following stages. At the first stage it needs to form a set of indicators that make up the value of intellectual capital at the meso-level. That can be mathematically expressed as:

$$V(IC) = V(RBR) + V(RAR) + V(RSTW) + V(RSTS),$$

where $V(IC_m)$ – value of intellectual capital at the meso-level in the conditions of decentralization; $V(RBR)$ – value of regional basic researches; $V(RAR)$

– value of regional applied researches; V(RSTP) – value of regional scientific and technical products; V(RSTS) – value of regional scientific and technical services.

It is worth highlighting that despite the equation given above is experimental by nature, it has two major advantages. The main advantage of it is that it provides interconnectivity, unidirectionality and comparability of the components that make up the value of regional intellectual capital. On the other hand, proposed amendments allow us to forecast the significance of partial indicators (V(RBR), V(RAR), V(RSTP), V(RSTS)) in the future.

Following this line of argument, it is suggested to calculate the value of intellectual capital of Kharkiv region in the conditions of decentralization of the Ukrainian economy. The study covers four years (from 2015 to 2017) and it is the second stage of the author’s investigation. The input data and all needed calculations is given below (fig. 1).

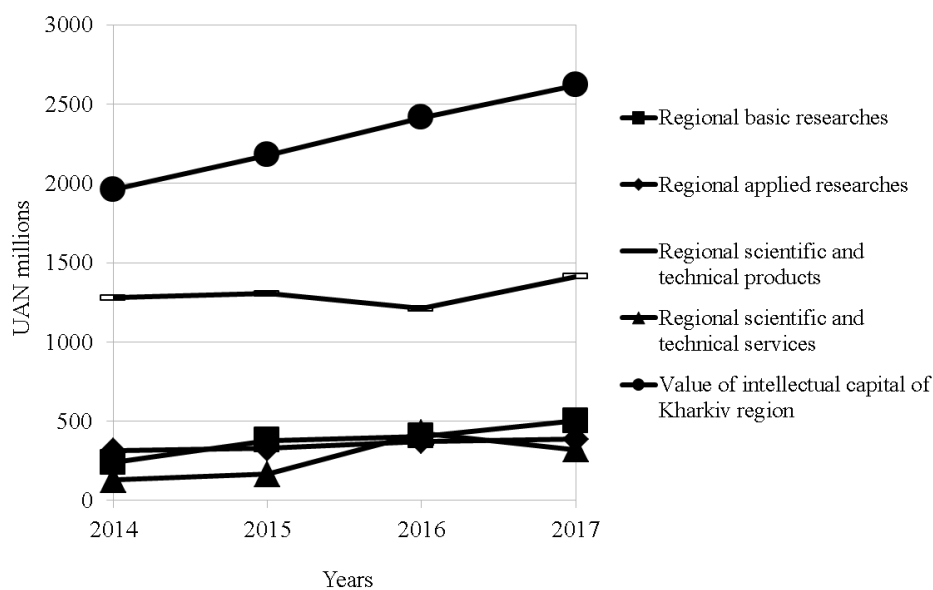


Figure 1. Value of intellectual capital of Kharkiv region in the conditions of decentralization [1]

As table 1 shows, the value of intellectual capital of Kharkiv region have risen so dramatically by approximately 33,67%: from 2111,07 UAN millions in 2015 to 2619,28 UAN millions in 2017. On the author’s view, it was predicted because each region in the conditions of decentralization has the added possibilities to financing scientific, technical and innovation activities and, in that way, to accumulate both

regional intellectual capital and national intellectual potential. At the same time, despite the positive dynamics of the value of intellectual capital of Kharkiv region, yet it has continued to be backward compared with the same indexes in advanced economies including many post-socialist countries such as China, Czech Republic, Estonia, Latvia, Lithuania, Poland and Slovenia [2, p. 65-68].

As we see, there is a need to make some recommendations on how to increase the value of intellectual capital of Kharkiv region. First of all, it is strongly recommended to increase expenditure on research and development activities (or expenditure on R&D) by the main economic actors: the state, the region, an enterprises, and the foreign sector represented so-called “business angels”. The author’s second suggestion is to improve the legal and regulatory framework related to the planning of local budget expenditures on intellectualization of the regional development, namely on capitalization of the intellectual property market and implementation of energy and resource-saving activities. Thirdly, it is necessary to accelerate the process of formation and development of the institutions integrated educational, scientific and production activities as well as to increase the effectiveness of such institutions. On balance, all abovementioned recommendations will allow to implement widely different innovations such as out-of-dated technologies, high-tech goods and the latest services, and, in that way, to ensure the competitiveness of the regional economy both at the national and overseas markets.

Therefore, the author’s findings provided strong evidence that the regions in the conditions of decentralization have the added possibilities to financing scientific, technical and innovation activities and increasing the regional intellectual capital. This statement was proved by calculating the value of intellectual capital of Kharkiv region. The author’s further investigations will be related to the comparing of the value of intellectual capital between Ukrainian regions.

REFERENCES

1. www.kh.ukrstat.gov.ua.
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