

## ABSTRACTS

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### **EFFECT OF INNOVATION ACTIVITY ON LABOUR PRODUCTIVITY IN ENTERPRISES OF SUGAR INDUSTRY**

Major issues of the Ukrainian economy are known to comprise low labour productivity, inefficient use of all kinds of economic resources, low technical and technological level of production, noncompetitiveness of basic types of domestic products, low percentage of high-tech products, wages and quality of life.

On the one hand, it is well known that steady economic development and competitiveness growth under globalization is impossible without raising labour productivity. On the other hand, publications on the subject of labour productivity almost evaporate from national scientific journals and also such information is not completely reflected in official statistics.

The task for raising labour productivity as a source of real economic growth becomes vital particularly for any market economy. Nowadays economic leaders become not those countries which possess vast natural resources but those which are capable to achieve high levels of labour productivity.

The main and inexhaustible source of labour productivity growth in domestic enterprises is their innovative activity. Nobel Prize Winner Robert Solow proved that labour productivity growth was ensured by 87% through the use of scientific and technological progress and only 13% – due to new investments. Activation of innovation activity is the best opportunity to increase the level of labour productivity in Ukrainian sugar enterprises.

Sugar industry faced great difficulties in modern conditions. Since independence of Ukraine from 192 sugar mills only 38 of them were involved in production in 2013. This led to a decrease in the number of jobs, increasing distance transport of sugar beet, reducing the acreage of sugar beet, a lower labour productivity at existing sugar mills, breach of crop rotation in agriculture, significant reduction of export potential and the emergence of social tension in regions. Ukraine started importing sugar investing foreign manufacturers, while their own fields and processing facilities idle.

In order to ensure the viability of sugar mills, increase their competitiveness on domestic and foreign markets and increase efficiency of production, sugar industry needs to choose an innovative type of development. And one of the main ways to achieve it is to increase labour productivity in the sugar sector enterprises through the introduction of innovations.

The purpose of the article is to determine the impact of innovation on productivity growth in enterprises of sugar industry in Ukraine. The object of research is the process of improving productivity in domestic sugar enterprises. The subject of study is the set of theoretical and practical issues of labour productivity growth due to innovation in domestic enterprises of sugar industry. Introduction of innovations in sugar-beet production will contribute to the development of industry, increase competitiveness and quality of sugar. Developed sugar industry means the increase of employment, the effective operation of agriculture sector, and in future – the strategic raw material for energy independence of our country.