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FORMATION OF MODERN DIRECTIONS OF STRATEGIC DEVELOPMENT OF THE PUBLISHING AND PRINTING INDUSTRY OF UKRAINE

Abstract. Integration of the Ukrainian economy into the world, in particular into the European economic space, actualizes the necessity of developing integrated ways of strategic development of enterprises of the publishing and printing industry.

The article analyzes the development of the publishing and printing industry in Ukraine, reveals the problematic issues of its functioning, outlines the priority directions of the further movement. The most important steps that will enhance the growth and use of strategic potential of the industry are described.

Key words: strategy, development, publishing and printing industry, monitoring, potential.

Jel Classification: L16, L59, L60, L69

Urgency of the research. In the conditions of the rapid spread of transformational changes in Ukraine, the issues of improving the development strategy require a priority solution in the publishing and printing industry, since the importance of printed information in the life of society remains one of the means of human communication, information exchange and the form of human culture. Therefore, it can be considered as an element of not only socio-economic, cultural,

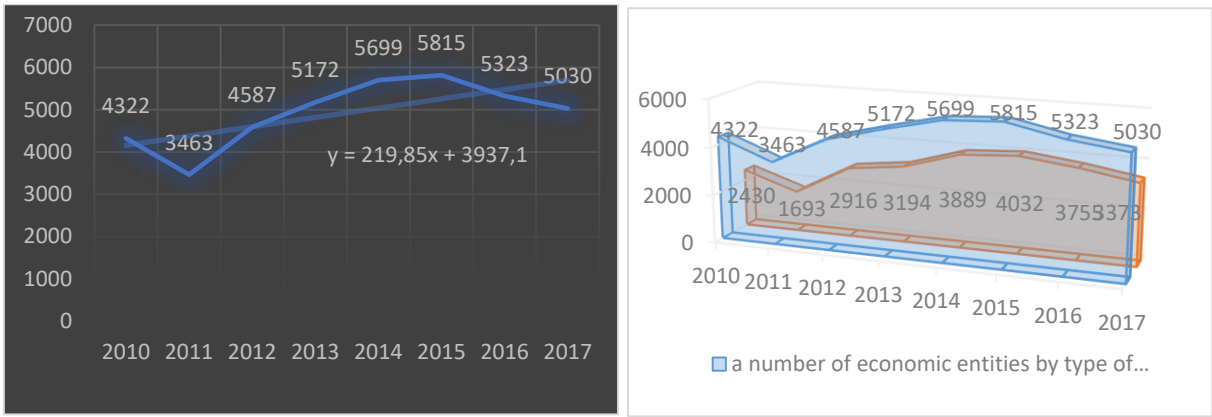
but also political and military processes. Due to the dependence on the import of materials and equipment, illegal import of printed materials, depreciation of funds, corruption obstacles, etc., this issue becomes particularly relevant.

Actual scientific researches and issues analysis. In contemporary scientific literature the discussion continues on the substantiation of the most effective ways of developing the publishing and printing industry. Numerous studies are devoted to the discovery of factors whose influence inhibits and complicates the development of the industry. Among the most relevant works we should point out E. Palyhy, L. Schwaiky, Ya. Kotliarevsky, A. Shtangret, O. Afonin. However, it should be noted that most developments concern only certain areas of publishing and printing activities.

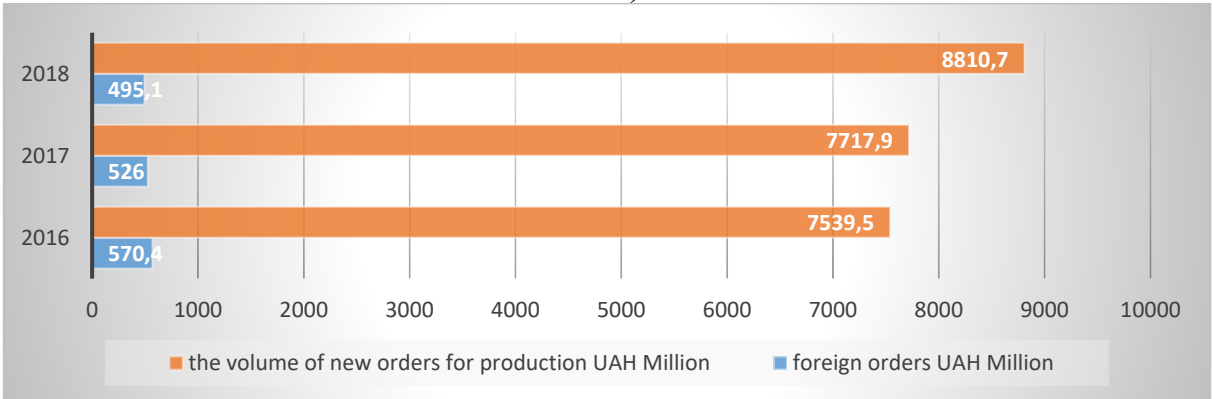
The research objective. Characteristics of the current state of the Ukrainian publishing and printing industry and the formation of complex proposals regarding the further development strategy.

The statement of basic materials. Trends in the development of the modern economy need to increase the level of functioning of the publishing and printing industry (further PPI) with the further strengthening of its competitiveness not only in the internal, but also in the foreign market. At this stage, the problem of effective use of strategic potential in the conditions of limited resources is of the urgent importance.

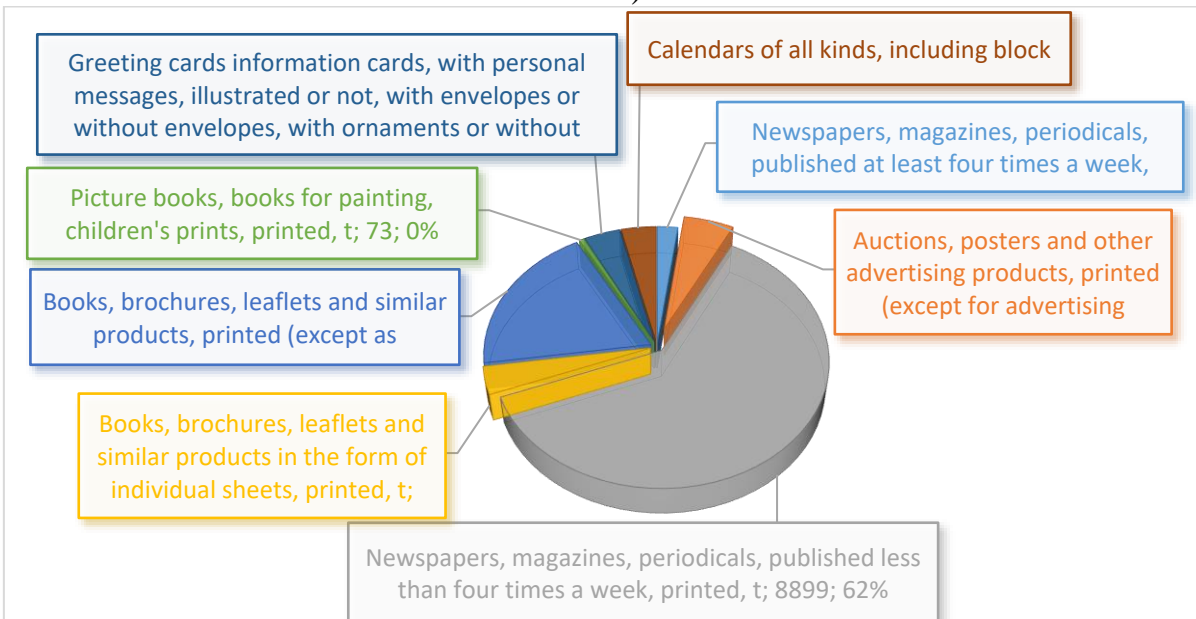
Thus, according to the State Statistics Service of Ukraine [1], in January-March 2019, the share of publishing and printing in the domestic industry amounted to only 0.4% in total industrial production, and 4.2% - in the structure of volumes of sold industrial output outside the boundaries of the country. However, its real value can not be overestimated. Figure 1 shows the dynamics of key industry performance indicators during 2010-2017.



a)



b)



c)

Figure 1. Main indicators of PPI a) a number of economic entities by type of economic activity "printing activity, replication of recorded information" in Ukraine in 2010-2017; b) the volume of new orders for production in 2016-2018; c) the production in 2018 in kind terms [1]

Consequently, since 2015 there is a fall in the total number of PPI enterprises, the volume of new orders continues to grow, but their foreign share is decreasing. In the structure of production, the largest share is the production of newspapers, magazines and periodicals, which are printed less than four times a week. The second place is occupied by books, brochures, leaflets and similar products. According to the official data of the Book Chamber of Ukraine [2] among all editions the largest number holds educational literature; fiction occupies the second place in the number of titles, while a children's book occupies the second place in the number of copies. It should be noted that 2018 is a record for titles published in Ukrainian. At the same time, the figures on the number of copies in 2018 remain generally lower than the crisis period of 2009 and much lower than the record in 2013. Last year 22,612 names came out in Ukrainian, a record for all the years of independence. The same applies to the edition of 38 107, 4 copies. For comparison, 3253 titles were issued in Russian, with a total edition of 6 106.2 copies. Further, the leaders are English (458 titles) and German languages (88 titles). Only one book was published in Portuguese, Latin, Rusyn, and Italian. Two Arabic, Belorussian, Spanish, Greek, Hebrew. Only four books in 2018 came out in Old Slavonic, Bulgarian and Crimean Tatar languages. Additional information on the state of the publishing industry in Ukraine can be found on the official website of the Book Chamber of Ukraine: http://www.ukrbook.net/statistika_.html. The Internet and Internet technologies should be considered as objective reasons for reducing interest in printed products. The means of transmitting electronic information has been a powerful blow to traditional publishing technologies. The overwhelming majority of national, part of the regional and local print media reacted by creating their own online versions. As is known, the world wide web in 2019 is already used by 70% of Ukrainians (against 63% of users as in December 2017) [3].

As mentioned above, it can be argued that the rate of information transfer plays an important role in the publishing business, but at the same time, the use of

non-publishing products remains high, since label, packaging and other commercial products are used by almost all enterprises in the country.

In this context, we should note that official information about the state of PPI in our country is incomplete and not always reliable and operational, and also has branched out in separate directions, and there is no information on the production of printing products as a resource for another production (except packing). In our opinion, the most effective way to solve this problem is to organize monitoring. Figure 2, developed by the authors, shows the sequence of monitoring the development of PPI at the micro-, meso-, or macro levels.

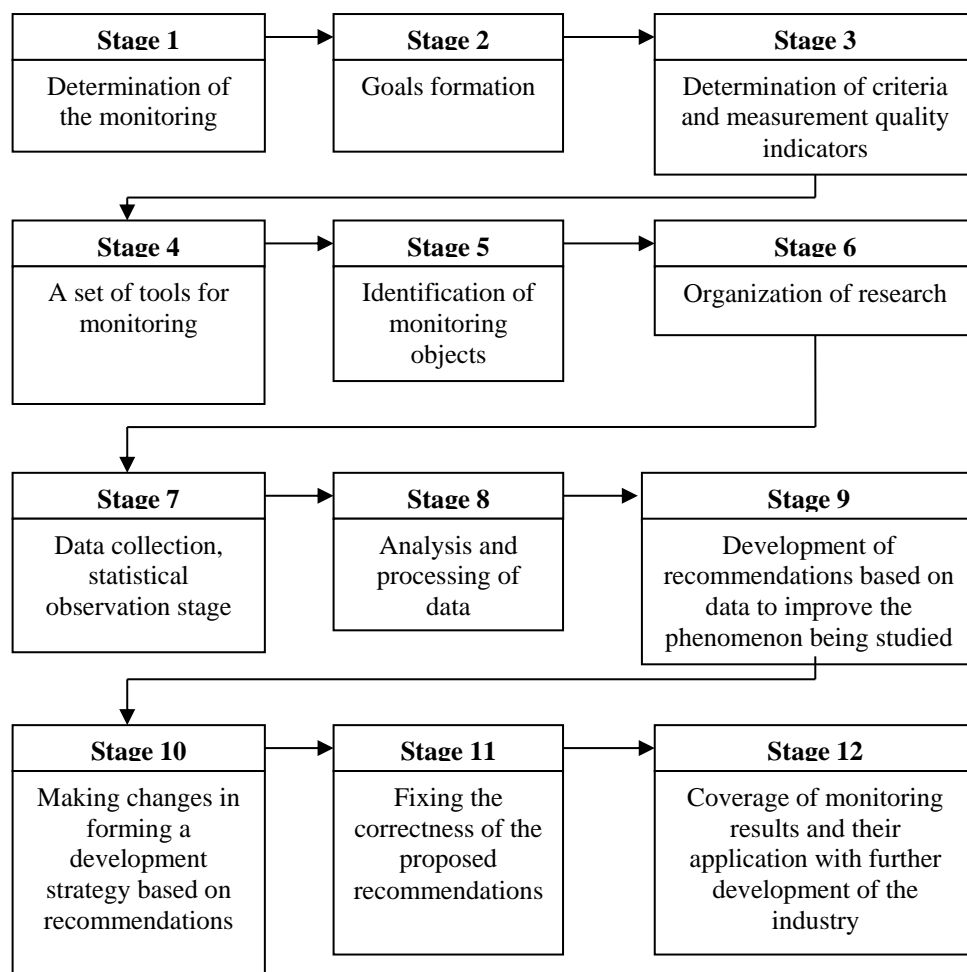


Figure 2 Sequence of monitoring of PPI development

Source: [5, 6]

Regarding the state policy on the development of national publishing and the popularization of reading, we note that the Government of Ukraine approved the relevant Concept [3] on February 24, 2016, which states: "Over the past decades,

due to objective and subjective reasons of political, social and the economic nature the book in Ukraine has largely lost its role, resulting in a sharp decline in the level of education, culture, spirituality of society. Over the past five years, the issue of domestic publishing products is about one book per year per person. The Concept also outlines ways and means of solving problems and expected results. But this document has expired on March 21, 2018. The decision is due to the loss of the relevance of this order in connection with the creation of the Ukrainian Institute of Books and the transfer of the corresponding powers to it (official site: <https://book-institute.org.ua/>). This institution is called to form a state policy in the book industry, to promote book readings in Ukraine, to support the book publishing business, to stimulate translation activities, to popularize Ukrainian literature abroad. Finally, the program of replenishment of library funds from the Ukrainian Institute of Books has started in our country, which actually financed 741 titles of books from 92 publishers for 120 million hryvnias. Thus, the problem was recognized at the national level and aimed at further strategic development, although it concerns publishers to a greater extent. The problems of the printing sector remain outside the focus of attention, although it not only represents an important economic interest for the state, but also provides publishers with products.

The main means of state influence on the development of PPI depending on the conditions in which it operates, can be recognized as follows: 1) the program of regional and state support and development of PPI ; 2) purchase by the state of publishing and printing products; 3) state funding of research institutions; 4) constant state control of product quality; 5) incentive programs to attract investments in the development of the industry; 6) development of programs of ecological safety of the industry, etc.

It should be emphasized that today the competition in the industry has increased significantly, for example, about 168,000 search results can be found on the search query "production of printing products" through Google's search engine in Ukraine. Globalization and the opening of trade frontiers, fluctuations in

demand with simultaneously insufficient solvency of consumers will require publishers of printing products to increase its strategic competitiveness.

Also, different types of associations operate for the purpose of strategic development in the world of publishing and printing practice such as: 1) provide links with the government and government bodies; 2) represent the publishing business as an industry before the government; 3) take part in the development of legislative acts on the regulation of the industry, copyright, freedom of the press; 4) resolve the problems of providing resources; 5) engage in the propaganda of printed matter and reading in general; 6) organize exhibitions, fairs in the country and abroad; 7) conducting research and information works; 8) participate in the training and training of personnel. The use of world experience in this area is a prerequisite for the effective development of the national PPI.

PPI of Ukraine also has some positive experience in the development of associated forms of management. The first attempt to combine efforts to solve public problems was the creation of the Ukrainian Association of Publishers (UAP) in 1991, which was transformed into the Ukrainian Association of Publishers and Book Distributors (UAVK) (*Official page: [http://upba.org.ua/index.php /uk/](http://upba.org.ua/index.php/uk/)*). In 1998, representatives of the Ukrainian printing companies established the Ukrainian association of manufacturers of printing products "Aspol", which includes 125 publishing, printing, scientific, service companies, institutions and organizations of the publishing and printing industry of Ukraine (*do not have an official page*).

Today, the Ukrainian Association of Publishers of the Periodical Press (*Official Website: <http://www.uapp.org/>*) is successfully operating in PPI. The purpose of such associations is to improve the financial performance of the joint activity, reduce operating costs, the overall risk of each member, formulate a common policy of development and state support, protect the interests of members, promote technical development of production, coordinate the interaction of enterprises and organizations publishing and printing complex, etc.

At the same time, private, collective printing companies and firms dominate the market for label, packaging, advertising, blanket and other commercial products equipped with modern technology. These producers mark the main problems with the availability of labor and material resources.

However, the presence of factors of production and labor resources for the successful development of PPI is not enough. Macroeconomic support and support for the implementation of sectoral competitive advantages is also a prior condition.

In general, according to the authors of the formation of further effective strategic development of PPI of Ukraine can be represented by certain stages (Figure 3).

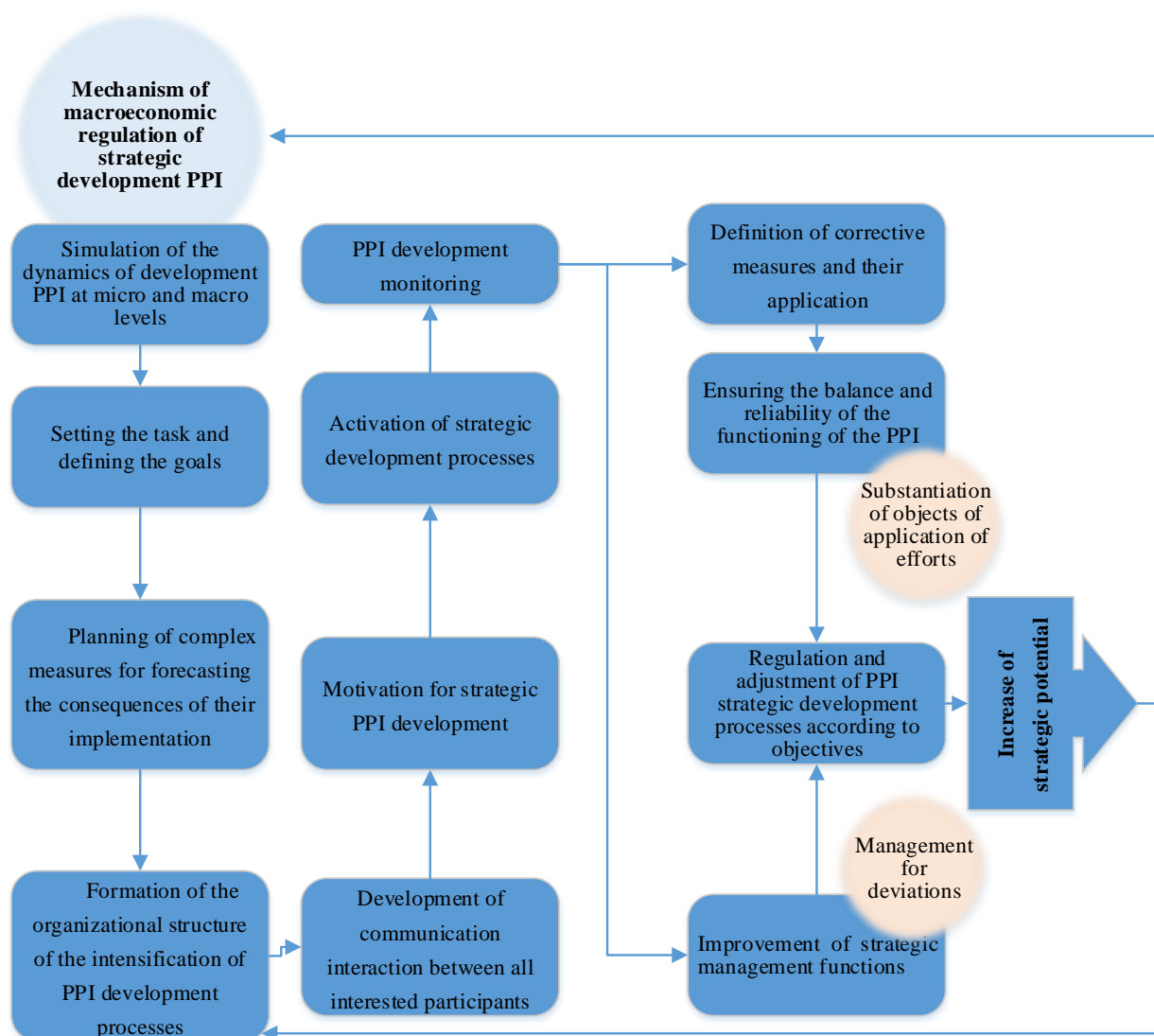


Figure 3 Scheme of interconnections of strategic development process of PPI

Source: built by authors

It should be stressed that in today's economic conditions it is impossible to make objective managerial decisions in implementing the strategy of development of PPI due to the following factors: a) the market situation in the country requires taking into account rapid changes; b) there is a shortage of time for the preparation of optimization decisions; c) there is no predictability of operational actions of competitors; d) modern socio-economic processes require the formation of an adequate information space, the imperfection of which is one of the most important factors of a risk.

Conclusions. Thus, the publishing and printing industry is a production and technical base of national printing. The value of PPI in the system of branches of Ukrainian industry is characterized not by the volume of manufactured products, but, above all, by its nature and purpose. In the total volume of industrial products, the share of printing is small, it is much smaller than the share of light industry, machinery, food industry, etc., but the impact of both publishing and printing activities can not be underestimated.

On the basis of the conducted research, we can recognize the following main areas of strategic development of PPI: use of industry potential, creation of a unified communication system in the information space, implementation of integrated monitoring of PPI resource provision, expansion of the network of associations for ensuring the best interaction between all carriers of economic interests, solving problem issues by providing resources to enterprises of the publishing and printing industry to increase competitiveness and expand the strategic potential of the industry.

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