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## Mechanism Of Increasing The Competitiveness Of Fruit Growing, Viticulture And Winemaking In The Context Of Innovative Development.

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### ABSTRACT

Analyzing the specifics of the functioning and development of viticulture, fruit growing and winemaking, it can be noted that these industries are extremely conservative, any innovations are perceived in two ways: on the one hand, it contributes to the efficiency of activities in a number of areas, and on the other, it leads to loss of product identity and lower consumer expectations, which leads to a decrease in competitiveness. Therefore, the search for opportunities for flexible development management will directly affect competitiveness. Note that the links between the components of competitiveness can be both unidirectional and parity, and we highlight the relationship between the components, and their impact on competitiveness in general.

**Keywords:** competitiveness, identification, fruit growing, viticulture, winemaking, competitiveness formation forces, innovative development.

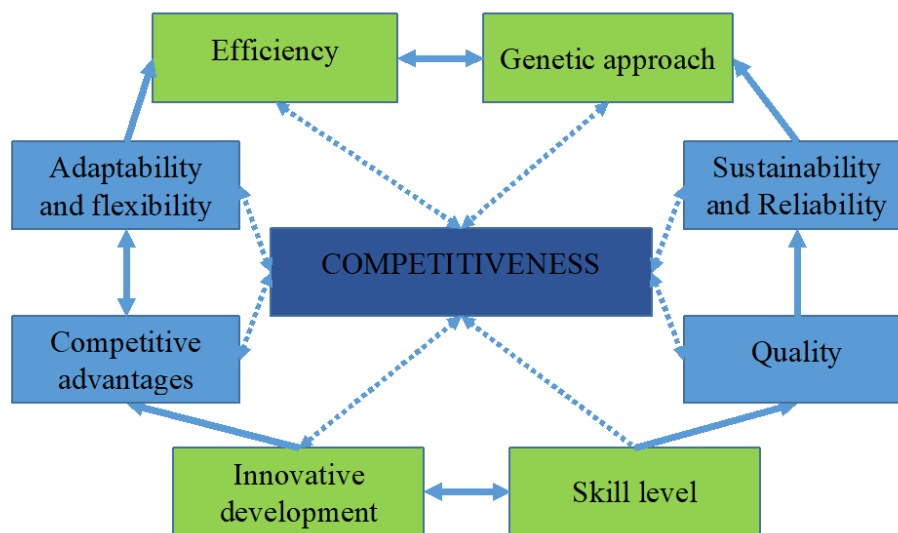
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**INTRODUCTION**

Competitiveness is one of the most important and widely used concepts of a market economy. As a multilevel and multidimensional category, having its own characteristics for different economic systems, competitiveness is formed and changed under the influence of many factors and conditions.

In the scientific literature, competitiveness is often interpreted identically to the concept of efficiency. These categories are, in fact, perceived as synonymous. But most of the research papers [2, 4, 5] clearly show that these concepts are far from identical, as evidenced by the presentation of the category “competitiveness” from the position of a systematic approach and taking into account the specifics of the object of study, shown in Figure 1.

In our opinion, the necessary conditions ensuring the formation of competitiveness of the economic system are: efficiency, genetic approach, level of staff qualifications, innovative development of the organization. The indispensable components of competitiveness are the market advantages of goods and services, including their quality, adaptability, flexibility, sustainability and reliability of the enterprise.



**Figure 1: Components of competitiveness from a systematic approach**

**MATERIAL AND METHODS**

Adaptability is considered from two market positions - the formation of competitiveness in terms of competitive advantages and natural - the placement, operation and measures to preserve agrocenoses from the negative effects of the environment.

By agrocenosis, we understand an artificial ecosystem created by man for the purpose of obtaining agricultural products.

The selected object of study is not sufficiently flexible, since the key processes occurring in viticulture and fruit growing are rather inertial and do not allow quickly adapting to changes in the market environment.

Analyzing the specifics of the functioning and development of viticulture, fruit growing and winemaking, it can be noted that these industries are extremely conservative, any innovations are perceived in two ways: on the one hand, it contributes to the efficiency of activities in a number of areas, and on the other, it leads to loss of product identity and lower consumer expectations, which entails a decrease in competitiveness [6]. Therefore, the search for opportunities for flexible development management will directly affect competitiveness. Some areas of flexible adaptation to the market, in our opinion, can be: industrial processing of fruits, grapes for juices, jams and jams; production of fruit and berry wines, young

grape wines, special spirits (Calvados, Chacha, moonshine); development of wine tourism, festivals, recycling of wine-making.

At the same time, despite the completely natural sectoral conservatism, the innovative development of viticulture, fruit growing and winemaking in the framework of ensuring its competitiveness, in our opinion, there is no reasonable alternative. It is important to be able to organically combine the innovations being introduced with the traditions of the system under study, which is also an important manifestation of its flexibility and adaptability.

Sustainability is mainly determined by three main types of disturbing effects on these industries - market, anthropogenic and natural (agrocenosis, biochemical processes for the production of alcoholic beverages from grapes and fruits, market expectations of products of established quality and nomenclature, human factor).

By reliability we mean the preservation of the functional properties of the system for a given sufficiently long period of time. Taking into account the features of the object under study, reliability is primarily directly related to the chronotopic and functional characteristics of the agrocenosis. Although it should not be discounted and its market and social aspects.

By the economic category "competitive advantages", we understand that the studied economic subject has unique characteristics - production and product, distinguishing it from other manufacturers on the market.

Being quite labor-intensive industries, grape-growing and fruit-growing enterprises impose high requirements on the level of qualification of both working personnel and specialists. Often, the level of professional skills and competencies of industry professionals is closely related to art based on their intuition and experience.

## RESULTS AND DISCUSSION

Since the object of our research is related to artificial-natural economic systems, we consider it necessary to take into account the genetic aspects of the formation and development of GWO in the evaluation of competitiveness formation processes, which is manifested in the existence of life cycles of the industry's production, interconnected with the biological parameters of the cyclic agrocenosis development.

Thus, a feature of the products produced by the grape-and-wine industry is the presence of long time lags in the management of competitiveness. It is possible that the products have not yet arrived to the final consumer (for example, very old cognac or dessert wines on aging), and the ampelocenosis that participated in the initial stages of the production life cycle of these products (grapes) will be already decommissioned for various reasons (consequences of the impact of negative natural and climatic factors, "aging" of plantations), so the genetic aspects of development are the thread connecting the agrocenosis, which serves as the basis for ensuring competitiveness grape-making products, and a finished consumer product with a certain level of competitiveness.

Note that the links between the components of competitiveness can be both unidirectional and parity, and we distinguish between the relationships between the components and their effect on competitiveness in general [8].

Efficiency is only one, albeit a key, component of ensuring competitiveness, since the latter also includes many complex economic interconnections and interrelations, and is an integral (vector) dynamic characteristic of the studied branches of agricultural production.

The dynamic nature of competitiveness also lies in the fact that it manifests itself only in conditions of competition, in interactions with competitors and consumers and, as a result, therefore requires constant investment in ensuring (maintaining and increasing) the competitive advantages of the economic system. And efficiency implies the optimal use of available resources, which often conflicts with the aspiration to increase competitiveness, especially aimed at the future.

In the category of "competitiveness" concentrated manifestations of the complex interaction of natural, economic, social, scientific, technical, innovative, industrial, organizational, managerial, legal, marketing and other business opportunities, which are associated with the difficulties of assessing the level of competitiveness, studied artificial-natural economic systems.

Competitiveness, being a dynamic object, is formed under the influence of a number of factors. Using the categorical apparatus of the natural sciences, one can imagine a model of the formation of competitiveness of fruit growing, viticulture and winemaking (Figure 2) as a process of dynamic interaction between two groups of factors that are not related to the resource potential of the studied systems, but have a direct impact on the state of its competitiveness - catalysts and inhibitors. In this case, under the catalysts we will understand the factors that accelerate the process of the formation of competitiveness, and the inhibitors - which will slow down the process.

An important component of this scheme is the competitive potential, which directly affects the provision and the speed of formation of the competitiveness of the systems under study at all levels (subcomplex, enterprise, products) of the economic activity studied in the present dissertation. Competitive potential, represented primarily by financial resources, fruit and grape land suitable, human resources, equipment and technology, brand, innovation, product quality and information and analytical resources.

The functional catalysts should include industrial and technological industry reserves - already existing, but not used for various reasons in full. For example, the production capacities of the primary and secondary winemaking factories in Russia are only 20-25% loaded, which allows, without additional costs to the production infrastructure, to expand production volumes, thereby increasing its efficiency and competitiveness.

Consumer catalysts, expressed in ensuring effective consumer demand for fruit and berry and grape-fruit products, are aimed at the formation of domestic competitive demand. Close to this category, social catalysts consist in the development of a culture of consumption of wine-making products and the formation in society of "social habits" associated with the consumption of wine-making products, for example, sparkling wine for the holidays.

Ecological landscape catalysts are manifested in the formation of agrocenoses and adaptation to the production of high-quality fruits, berries, grapes, as well as ecologically pure wines and brandies, the development of wine tourism as a factor that ensures the reputation and brand dominants of competitiveness.

The development of fruit growing, viticulture and winemaking in the modern conditions of globalization of the economy predetermines the orientation not only on the domestic, but also on the international market, therefore market expansion is an important catalyst in ensuring the competitiveness of the subcomplexes in general and the products of the nomenclature in particular.

Analyzing the experience of the "new" wine-growing regions and the success of their entry into foreign markets, we can conclude that it was ensured, first of all, due to consumer interest in autochthonous wines, as well as the gastronomic desire to try wines from classical European grapes, produced in "atypical" conditions for this variety. For example, according to experts, the best wine from the classic French grape variety Malbec is considered to be produced in South America (Chile and Argentina), which is due to the corresponding combination of climatic and soil factors in these regions.

To inhibitors, if we consider winemaking, we can attribute a number of related social problems that will restrain the competitive development of sectoral production: the problem of alcoholism in a nation, a low level of consumer culture and incomes of the population and, consequently, a decrease in consumption of high-quality wine-making products by replacing its share with substitutes - products from ethyl alcohol, beer, counterfeit.

Counterfeit is also an inhibitor, because in fact it is a substitute (or a substitute product), forcing the industry's products out of the market and reducing its competitiveness.

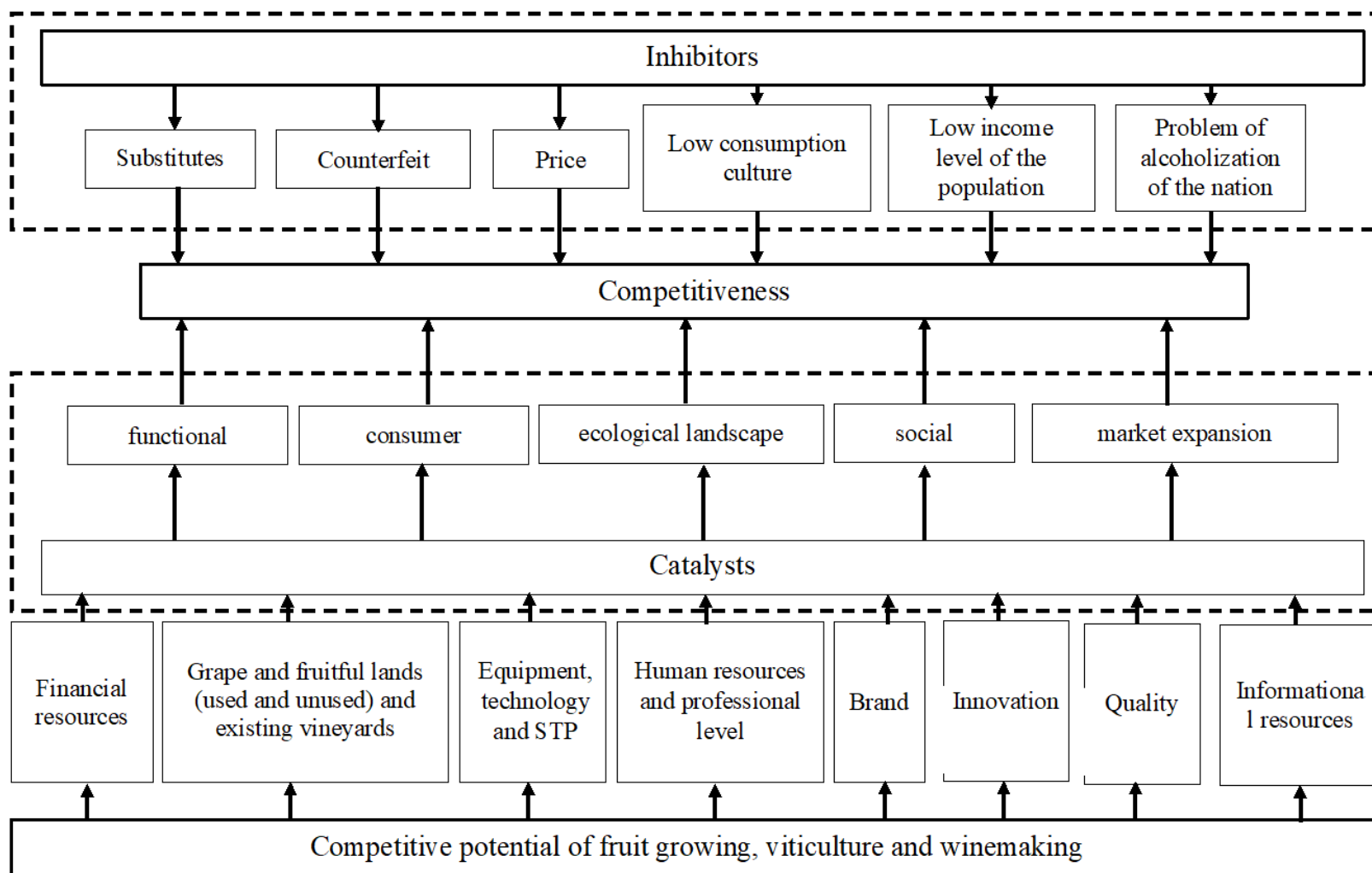


Figure 2: Drivers of competitiveness in fruit growing, viticulture and winemaking

The price, or rather its increase, will undoubtedly lead to a decrease in consumer demand, which will also reduce the competitiveness of fruit and berry and grape-making products. However, if we consider these processes in the premium segment, where the consumer is willing to pay for the uniqueness of the product, the price will no longer be a deterrent.

It should be noted that the presented separation of factors into inhibitors and catalysts cannot be complete and well-established and depends on the current state and the emerging development trends of the studied branches of agricultural production. And the same factors can act in different periods of time, and even at the same time, as catalysts and inhibitors, for example, political: the anti-alcohol company of 1984 is an inhibitor, and the anti-sanction policy of Russia aimed at import substitution is a catalyst.

The rapid buildup of innovation processes in the agrarian sector of the economy, in order to ensure its competitive development, strongly puts forward demands of their active management based on the implementation of appropriate management mechanisms. At the same time there is a significant industry differentiation [1]. Among the industries, the pace of innovation development of which is in conflict with the quality of its management, include fruit, wine-growing and sub-complexes of the agro-industrial complex. This circumstance determines the relevance of the formation of a modern mechanism for identifying promising areas for the innovative development of fruit growing, viticulture and winemaking.

We propose a mechanism for identifying promising areas for the innovation development of fruit growing, viticulture and winemaking (Figure 3). Its main purpose is to unite in a single system the scientific, innovative and production components of innovation activity.

Identification of innovative areas of fruit growing, which require serious resource costs, should go through the implementation phase of pilot projects prior to mass implementation. This allows not only to increase the validity of innovations in fruit production, but also serves to solve the problems of adapting innovative technologies to the conditions of the region.

At the same time, let us point out the iterative nature of the mechanism, which provides for a return to one of the previous stages in case of insufficient effectiveness of pilot innovation projects.

We believe that innovation should be differentiated by the levels of economic entities of fruit growing, viticulture and winemaking. This is determined by the type and complexity of the innovations being implemented, the stratification of which is presented in Figure 4.

The above differentiation of innovation in fruit growing, viticulture and winemaking is carried out through a two-dimensional stratification of innovations in the studied industries depending on the technological effectiveness of innovations and the form of organization of economic activity. We distinguish 4 levels of farms: PSP, PFE, agricultural organizations (AO) and agricultural holdings.

Identification of promising areas involves not only the choice of technologies, but also their adaptation to the resource capabilities of business entities, which determines a wide range of innovations - from one relative independent component of the production innovation technology to their various combinations that can be effectively implemented only at the level of agroholdings due to high resource requirements, including personnel qualifications.

Thus, the modern stage of the innovation development of fruit growing, viticulture and winemaking, in order to ensure its competitive development, should be active in our opinion [3]. The consequence of this is the conclusion about the need to form a mechanism for identifying promising areas for the innovative development of fruit growing in viticulture and winemaking, which is intended to make the development focused and to increase the competitiveness of domestic fruit growing.

This circumstance is not possible without the formation of an organizational-economic mechanism for managing the competitiveness of fruit growing, viticulture and winemaking, which is presented in Figure 5, a feature of which is the formation of competitiveness by levels of economic activity.

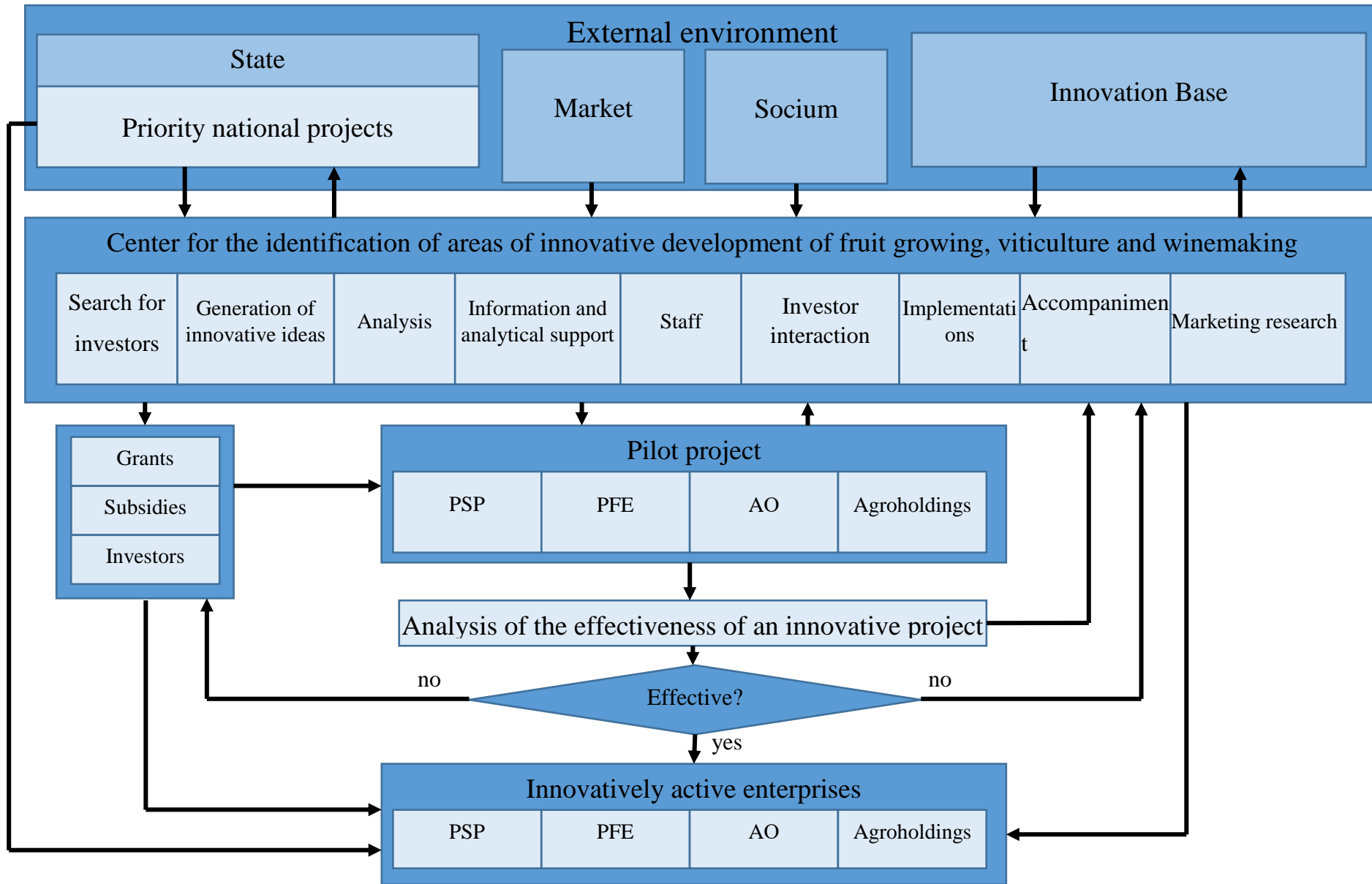
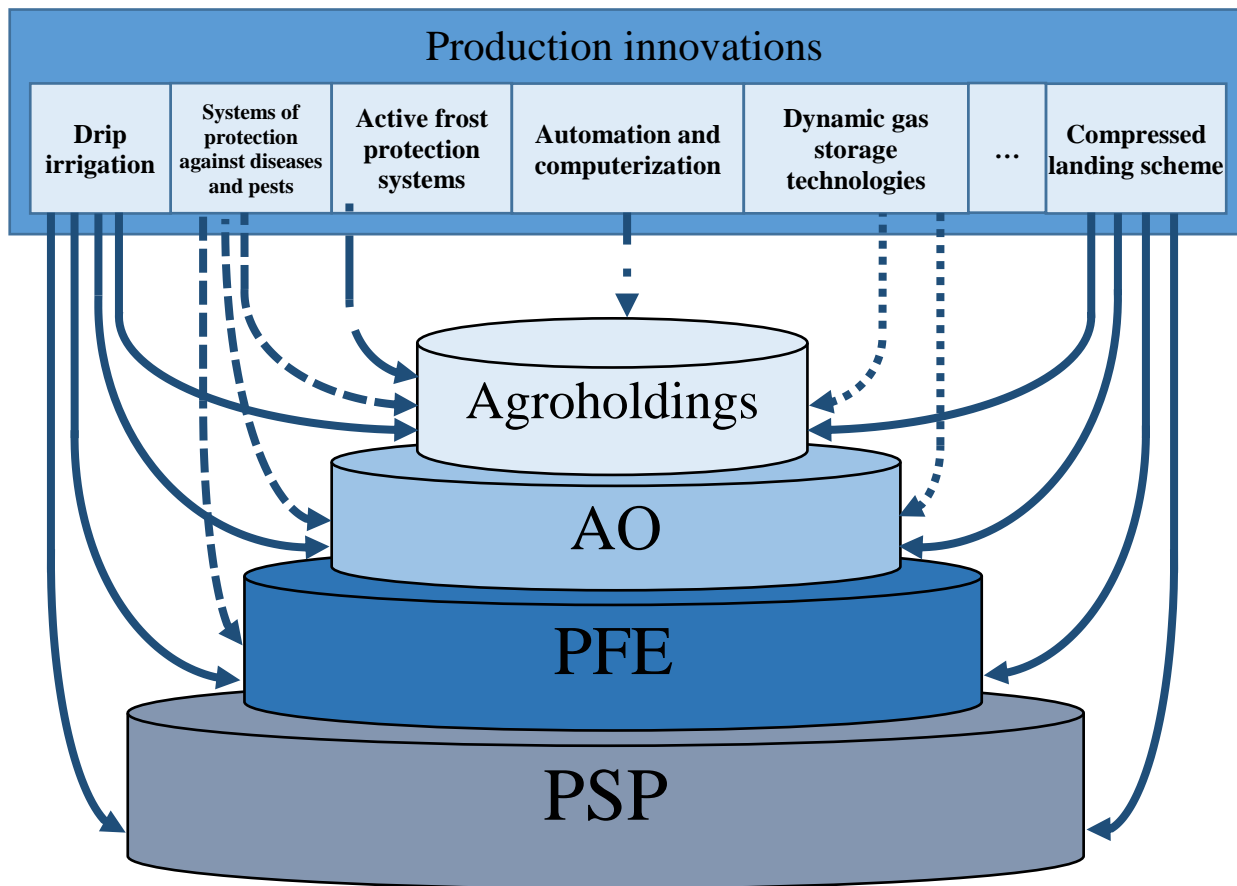


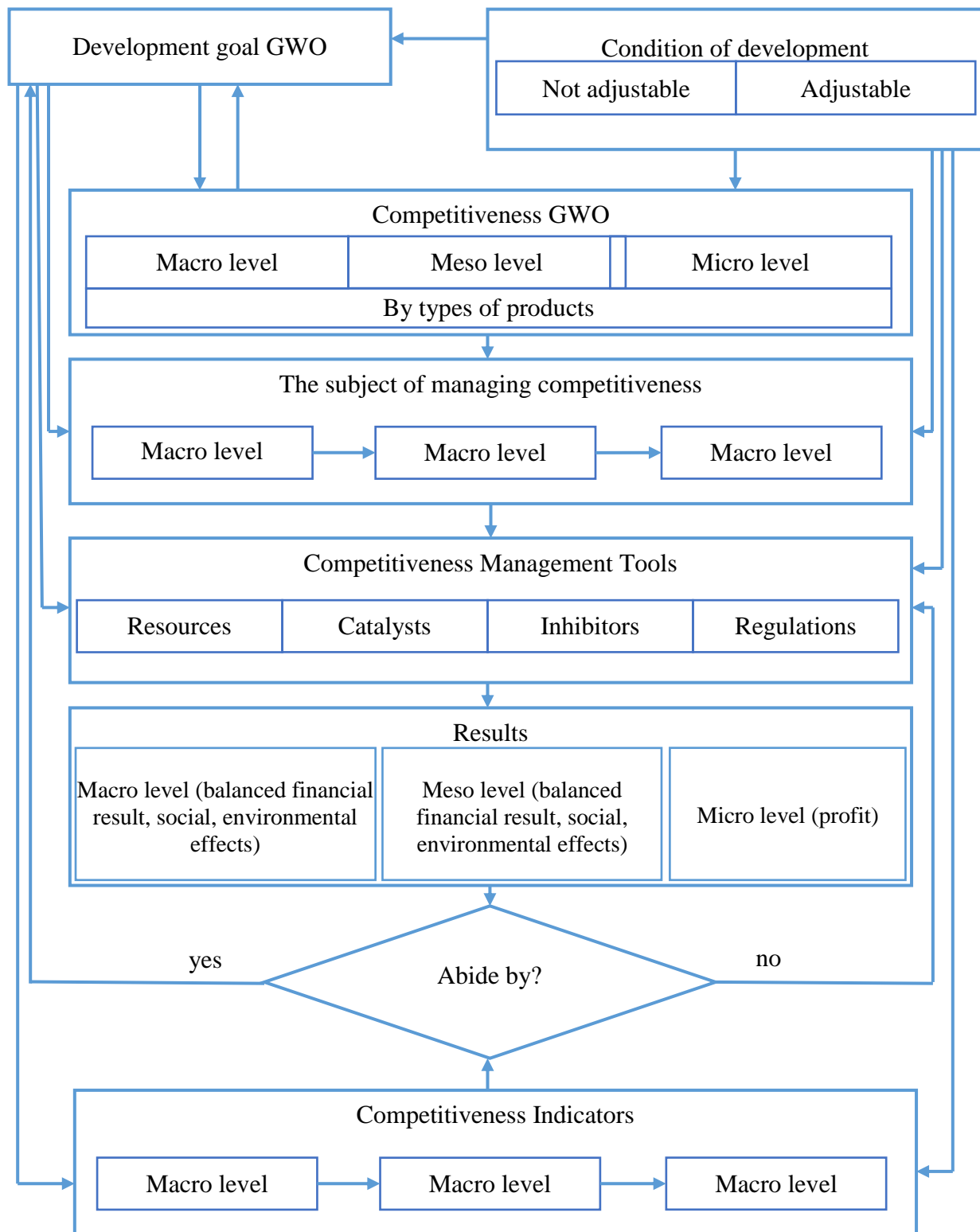
Figure 3: The mechanism for identifying promising areas for the innovation development of fruit growing, viticulture and winemaking



**Figure 4: Stratification of innovations for various subjects of fruit growing, viticulture and winemaking**

We point out the inevitable duality of the position of the organizational and economic mechanism for managing competitiveness in relation to the controlled system of the object under study. It defines the general rules and procedures for managing the competitiveness of the system under study, the implementation of which is provided by its management system. But, at the same time, the specified mechanism should take into account the characteristic features of the controlled system, its diverse resource capabilities, which are quite clearly manifested both in its structure and in the content of the rules and procedures implemented, including their instrumental implementation, which often determines the possibility of and the content of those or other management procedures.





**Figure 5: The organizational and economic mechanism of managing the competitiveness of fruit growing, viticulture and winemaking**

**CONCLUSION**

The emergence and development of instrumental support of management, especially information-analytical, contributes to the development of the whole mechanism of management of fruit growing, viticulture and winemaking in general. Thus, the mechanism of managing the competitiveness of fruit growing, viticulture and winemaking should be considered from the standpoint of the dynamic relationship of its various components and properties of general, specific (agricultural and grape-viniculture) and specific for the studied agricultural and economic systems; functional; structural; behavioral and, of course, effective.

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