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**MECHANISM OF
INTERACTION OF
INNOVATION AND
INFORMATION SUPPORT
OF ENTREPRENEURIAL
ACTIVITIES OF
COOPERATIVE
ASSOCIATIONS AS A
CONDITION FOR
SUSTAINABLE
DEVELOPMENT OF
SOCIO-ECONOMIC
SYSTEMS**

<https://doi.org/10.5281/zenodo.15707937>

Abstract

The role and significance of cooperative associations as a determining condition for the development of entrepreneurial activity is substantiated. The main principles of the activity of cooperative associations are determined. The functions of cooperation are established and their characteristics are presented. A mechanism for the interaction of innovations and information support for the entrepreneurial activity of cooperative associations is proposed with its structuring and justification of its constituent elements. The significance of the interaction of innovations and information support for the entrepreneurial activity of cooperative associations is argued. The content of the information support of the mechanism is highlighted. The types of innovations in cooperation are determined and their characteristics are presented. Examples of the use of innovations in the entrepreneurial activity of cooperative associations are given. The importance of applying the proposed mechanism for the development of cooperative associations and the sustainable development of socio-economic systems is substantiated. A conclusion was drawn regarding the need to improve the legislative framework for the successful development of entrepreneurial activities of cooperative associations.

Keywords: *cooperatives, cooperative associations, innovations, information support, socio-economic systems, mechanism, entrepreneurial activity.*

Introduction

Changes in the socio-economic system have led to an increase in the role of cooperation in entrepreneurial activity. Today, cooperation is a necessary economic institution of the socio-economic system, as well as an important form of entrepreneurial activity.

In the context of the spread of globalization and informatization processes, many issues arise related to changing the methodology for developing the cooperative sector, in particular ensuring self-government of cooperative associations, their functioning according to international principles of cooperation.

Cooperatives as a unique type of socio-economic organization of mutual assistance of people, as well as a special type of enterprise, require the development of an effective mechanism for the interaction of innovations and information support in order to achieve sustainable development.

Materials and Methods

The study used the information search method – to analyze the state of the research problem based on the study and generalization of scientific works of scientists and Internet sources; the classification method – when identifying the principles and functions of the activities of cooperative associations; system analysis – to substantiate the relationship between the constituent elements of the mechanism of interaction of innovations and information support for the entrepreneurial activity of cooperative associations; the abstract-logical method – to formulate the conclusions of the study.

Literature Review

The work (Lupenko et al., 2016) substantiates the theoretical and methodological principles of institutional support for the development of entrepreneurial formations and cooperative relations in agriculture. The formation of a socially oriented economy and the implementation of the concept of social responsibility of entrepreneurship are assessed, and the directions for creating

institutional and economic conditions favorable for the development of the entrepreneurial environment in rural areas are substantiated.

(Lashch, 2019) proposed a systematization of the prerequisites for the emergence and development of cooperatives, arranging them into five corresponding groups, analyzing each of the factors of historical, socio-economic, psychological and ideological aspects.

The article (Yarish & Bugaevska, 2018) is devoted to the analysis of the world experience of the cooperative movement, the definition of the principles of cooperation and the features of their transformation, the study of the main stages of the development of consumer cooperation in different countries of the world, the definition of areas of activity on the path of modernization of consumer cooperation, as well as the development of consumer cooperation in Ukraine.

(Visin et al., 2017) analyze the main trends in the development of the international cooperative movement at the present stage. The authors examined the modern structure, forms and methods of activity of the International Cooperative Alliance as an influential economic and political force that promotes the global development of the cooperative movement, protects the values and principles of cooperation, and cares about the development of humanity, economic and social progress.

(Panteleymonenko, 2024) highlights the functional features of entrepreneurs' cooperatives, provides general information about the business models of such cooperatives. Offers combinations – B2B-B2C business model. When planning the activities of an entrepreneurs' cooperative, the author uses the business model canvas of A. Osterwalder, which can be the basis for building an effective cooperative strategy, which as a result should affect the profitability of the personal business of the cooperative members.

An important and relevant area of modern research is the cooperation of agricultural producers.

Thus, (Abramova, 2019) analyzes the experience of cooperation of agricultural producers in the countries of the European Union.

(Buryk, 2019) examines the problems of servicing cooperation of rural areas taking into account the experience of the policy of the EU states.

However, given the large number of studies in the field of

entrepreneurial activity of cooperative associations, there are many issues that require further development and study, taking into account the impact on the sustainable development of socio-economic systems.

Results and Discussion

Cooperation is a voluntary pooling of efforts and resources of entities interested in achieving certain socio-economic results that can be obtained only or more quickly through group action.

The International Cooperative Alliance (ICA) coordinates international cooperative activities. The ICA pays serious attention to the problems of cooperative democracy and strengthening the unity of the ranks of the international cooperative movement. According to the definition of the ICA, a cooperative is an autonomous association of persons who have united on a voluntary basis to meet their common economic, social and cultural needs and aspirations and have created a democratically controlled enterprise that is in common ownership.

The tasks of the ICA, national cooperative alliances, sectoral groups, cooperatives and individual shareholders at the current stage are to implement the following components:

1. The cooperative business model has advantages due to the possibility of participation (participation).

2. The cooperative business model creates economic, social and environmental sustainability (Sustainability).

3. The cooperative business model, being identical (defined by the values and principles of cooperation), puts the person at the heart of the decision-making process and advocates fair play in the global economy (identity).

4. The cooperative business model requires guaranteed favorable legal norms for its growth (legal framework).

5. The cooperative business model requires cooperative capital with strict member control (Capital).

All these five components of the project are interconnected and constitute its integrity, Figure 2.11.

The principles of activity of cooperative associations are as follows:

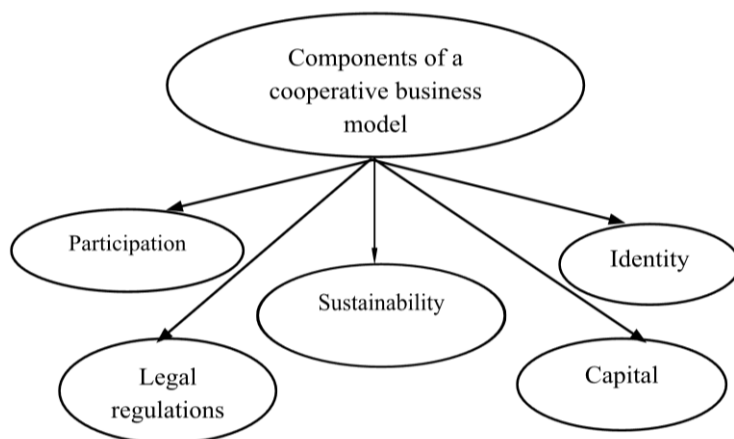


Figure 2.11 Components of the cooperative business model

Source: compiled by the authors based on (Visyn et al., 2017)

1. The main types and directions of economic activity of cooperatives are determined by each cooperative independently, based on the basic economic principles of cooperation, that is, protection of the economic and social interests of cooperative members on the basis of social justice, mutual assistance and cooperation.

2. The principle of identity – the role of cooperative members as co-participants and clients of their own cooperative or cooperative enterprise.

3. The principle of goal-setting – based on economic and social interests, cooperatives are created to ensure a certain task, achieve a certain economic goal.

4. The principle of self-help and cooperation as the basis for ensuring economic interests.

5. The cooperative principle of organizing production and management, in particular, the equal status of all members.

The highest governing body is the general meeting, direct or indirect participation of all members in controlling the company.

The need for coordination of new production entities dictates the need for the emergence and development of processes of their association. As a result, cooperative associations are created and

integration processes occur, which increases the level of economic activity.

Thus, cooperation is a form of organization of production, in which business entities participate in related production processes while maintaining legal independence.

The functions of cooperation are presented in Table 2.16.

Table 2.16

Functions of cooperation	
Function	Characteristic
Economical	Social production at the micro and meso levels, meeting the needs of society members
Organizational	A corporate-type enterprise is created by a voluntary association of material resources of commodity producers, owners
Institutional	Subject of collective management of institutional relations
Social	Social capital, ensuring the needs of society members
Property relations	Form of use of property – collective distribution of profits in proportion to participation in production
Labor organization	Collective, private
System	Self-organization, single goal, rational use of resources, provision of members
Process	Complementarity of technological processes

Source: compiled by the authors

The paper proposes a mechanism for the interaction of innovations and information support for the entrepreneurial activities of cooperative associations (Figure 2.12).

The methodological basis of the proposed mechanism is the principles and functions of cooperative activity in entrepreneurial activity.

The directions of implementation of the mechanism of interaction of innovations and information support of entrepreneurial activities of cooperative associations are focused on the following approaches:

- economic;

- social;
- educational;
- environmental;
- legal.

These directions contain specific measures that allow to implement the mechanism of interaction of innovations and information support of entrepreneurial activity of cooperative associations.

The important thing in the mechanism is the interaction of innovations and information support of entrepreneurial activity of cooperative associations. In the marketing research conducted by us (Telnov & Tretko, 2025) a comprehensive information support was proposed, which provides a high level of market analytics, customer loyalty and competitive environment. The information support was a marketing information system (MIS), built on the basis of digital technologies and sources of primary and secondary information.

Information support for the entrepreneurial activities of cooperative associations includes the following elements:

- CRM systems;
- information software;
- technical base.

The use of data analytics, CRM systems, statistical sources and technical infrastructure allows for in-depth market analysis, as well as improving interaction between cooperatives and clients.

Innovations in cooperation involve the introduction of new methods, technologies, organizational structures and ideas into cooperative structures in order to improve their efficiency and ensure sustainable development. Innovations help cooperatives adapt to market changes, meet the needs of members and ensure sustainable development.

Types of innovations in the entrepreneurial activities of cooperative associations are presented in Table 2.17.

The use of innovations in the entrepreneurial activities of cooperative associations contributes to:

- increasing production efficiency, reducing costs;
- expanding the range, more fully meeting the needs of cooperative members and other consumers, which will increase demand and profit;

Table 2.17

Types of innovations in the entrepreneurial activities of cooperative associations

Type of innovation	Characteristic
Technological innovations	Introduction of new technologies in production, for example, automation, use of IT tools for management and communication
Organizational innovations	Changes in cooperative structures, such as the introduction of new forms of management, division of labor, or partnership relationships
Innovation in products (services)	Developing and offering new products or services that meet the needs of cooperative members and other consumers
Innovations in marketing and sales	New methods of promoting and selling products (services), for example, using online marketing, expanding the sales network
Innovations in financing and investment	Changing financing models, attracting new sources of financing, investing in new technologies and developing the cooperative

Source: compiled by the authors

- increasing competitiveness, ensuring compliance with market requirements;
- increasing the satisfaction of cooperative members;
- ensuring the attractiveness of cooperative associations for new members and partners.

Innovations in the cooperative can include the use of social networks, websites and other online tools to promote their goods and services; the introduction of automated systems and technologies in production (using 3D printing to produce goods or new methods of processing raw materials); the creation of online platforms; and the involvement of young specialists to introduce new knowledge and technologies into the cooperative.

Therefore, innovations are an important factor for the development of cooperative associations, and their implementation can bring significant benefits to cooperative members, as well as to ensure the sustainable development of socio-economic systems.

It is also necessary to take into account that the effectiveness of the proposed mechanism is significantly influenced by external factors. The need to develop cooperative relations between business

entities is primarily due to the changes taking place in production at the present stage.

Thus, in the external environment it is necessary to take into account the intensification of competition on a global scale due to the development of transport, information technology and means of communication; the strengthening of the tendency to fragmentation of markets due to the differentiation of consumer demand. External changes cause an appropriate reaction of corporations that adapt to new conditions.

Entrepreneurial cooperatives have organizational and functional features compared to commercial enterprises. These features consist in an unlimited number of co-owners, who are also users of the cooperative's services. That is why cooperatives operate on a non-profit basis. Also, for the successful operation of cooperative associations, the characteristics of the clients with whom they cooperate should be taken into account. This necessitates the formation of appropriate business models, which are the basis of an effective strategy for the successful operation of entrepreneurial cooperatives.

The successful development of entrepreneurial activity of cooperative associations depends not only on the economic structure of the country, but also on the legislative framework that exists in the country. It must be stated that there is a certain imperfection of the existing legal field of cooperation. Laws and other regulatory acts should strengthen state guarantees regarding the independence and autonomy of cooperative associations, providing them with the opportunity to carry out a wide range of entrepreneurial activities, contributing to the transformation of cooperative societies into competitive entities.

Creating legal, economic, organizational and social conditions for cooperative entrepreneurship will enable Ukraine to emerge from the deep economic crisis. That is why it is necessary to create fundamental methodological, theoretical and methodological foundations for the formation of cooperative entrepreneurship, in particular regarding cooperative relations of business entities.

The issues of improving the skills of specialists and managers of cooperatives in management, marketing, financial work, and personnel training are especially relevant today. This direction has

also recently become a priority, which is explained by the complexity of managing a cooperative in the conditions of a highly intensive economy and the path to sustainable development. To train cooperative personnel, special educational programs are developed and implemented, support is provided to cooperative educational institutions, round tables, seminars, conferences are held to exchange experience in cooperative activities, information is collected and summarized about new types of services and achievements of cooperative management that exist in different countries, etc.

Almost all countries in the world use a preferential system of taxation of cooperatives, since cooperation is primarily interested in social interests. Cooperatives are aimed at improving the standard of living of the population and its social security.

Conclusions

Summarizing the conducted research, it is concluded that with the emergence of private producers, owners who have common economic interests in conducting economic activities, cooperation has become a logical stage of further development of the economy. This opens up new opportunities for the creation of organizational structures of an integration type, built on the principles of material interest, the implementation of economic choice opportunities to ensure the development of socio-economic systems. Active development of the economy, modern transformation processes create the need to introduce innovations to increase the efficiency of the activities of cooperative associations. For the further development of cooperative associations, it is advisable to expand the range of existing cooperatives of entrepreneurs, and the management bodies of existing cooperatives need to apply innovative methods of planning activities. For this, it is important to take into account foreign scientific and practical approaches that have shown their effectiveness in many countries of the world.

Thus, cooperative associations play an important role in the development of entrepreneurship in Ukraine and are one of the ways to support its competitiveness in the market. Due to the advantages that cooperatives have, they are valuable partners for entrepreneurs. The development of cooperative activities in Ukraine can stimulate the growth of social entrepreneurship and the solution of social problems, sustainable development of socio-economic systems.

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