

SMART COMMUNITIES AS CATALYSTS FOR LOCAL ECONOMIC DEVELOPMENT AND SUPPORT OF INNOVATIVE ENTREPRENEURSHIP

In the EU, the concept of SMART villages / SMART communities does not have a unified legal definition, but its key elements include community engagement, the use of digital tools, and the integration of solutions into various policy areas (services, energy, mobility) [4, p.1]. Academic studies emphasize that SMART approaches combine technological solutions with social innovations and inter-municipal cooperation [3].

The dissemination of SMART community practices in Europe shows that they are gradually transforming from local initiatives into a strategic instrument of regional development. This creates a logical transition to the concept of SMART specialization, as communities become not only users of digital services but also active participants in defining economic priorities based on their unique strengths.

Smart specialization is a strategic approach to economic development through targeted support for research and innovation, aiming to provide regions with the necessary knowledge to exploit their intellectual assets and institutional capacities for continuous transformation [2]. It is based on identifying the unique strengths and potential of each region, fostering cooperation between local authorities, businesses, and academic institutions, and aligning investments with areas of competitive advantage. Such a strategy enables regions to achieve sustainable growth by integrating digital technologies, stimulating entrepreneurial discovery, and developing inclusive innovations [5]. In this context, SMART communities act as a practical instrument for implementing SMART specialization strategies, turning concepts into concrete managerial and economic solutions.

SMART communities become catalysts of local economies through the digitalization of services, transparent governance, and the attraction of investments. They create a favorable environment for entrepreneurship, where electronic services reduce bureaucracy and open data increase investor trust. This allows communities to integrate digital technologies, stimulate entrepreneurial discovery, and ensure sustainable development [5].

The economic effect of SMART communities is manifested in stimulating innovative activities, particularly in the development of the IT sector, green energy, and creative industries. The assessment of innovation and investment potential is a strategic basis for determining the SMART specialization of Ukrainian regions [1, p.3]. Thus, innovative directions become key growth points for local economies. Additionally, attracting investments through transparent digital platforms and building SMART infrastructure enhance the competitiveness of local enterprises.

Regional smart specialization strategies aim to foster entrepreneurial discovery processes, mobilize local actors, and align innovation efforts with regional strengths [2]. Thus, entrepreneurship in SMART communities is formed around local competitive advantages, ensuring sustainability and innovativeness of economic development.

SMART specialization enables regions to achieve sustainable growth by integrating digital technologies, stimulating entrepreneurial discovery, and developing inclusive innovations [5]. Consequently, the development of incubators and accelerators for startups becomes a key instrument for the practical implementation of innovative ideas. Educational programs for young entrepreneurs and the use of digital services (electronic registries, online grants, crowdfunding) create an effective support system, where the SMART community acts not only as an administrative unit but also as a platform for innovative entrepreneurship and investment attraction.

In the Ukrainian context, SMART communities have the potential to become a key instrument for modernizing local self-government and economic development. Their strength lies in the ability to combine technological solutions with social inclusion, create conditions for entrepreneurship, and attract investments even in small territorial communities. For Ukraine, this means not only integration into the European space of SMART specialization but also the development of its own models that take into account local resources, cultural characteristics, and citizens' needs.

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