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INNOVATIZATION OF HOLDING STRUCTURES IN ECONOMIC GROWTH

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ABSTRACT

This article is based on studying the evolution and current state of the innovative components of modern Eurasian political economy. The goals and objectives of the study are to identify the specific dynamics and nature of modern Eurasian political economy and its implementation in practice, as well as the justification of dynamic stability as a key property of the regional economic system for the creation, preservation, accumulation and development of its innovative relationships. The study originality lies in the fact that the innovatization of structures is presented and justified as a process of accumulation, preservation, use and development of the innovative potential of business entities. The methodological foundations of theoretical structures are the idea of two main innovatization forms: innovation and innovativeness. Innovation is the creative opportunities and abilities of business entities to create various types of innovations through creative destruction (the term of J. Schumpeter) of its internal habitat. Innovativeness is the creative opportunities and abilities of business entities of a different and/or other external environment of their habitat. Sustainable acceleration of the development of economic systems is carried out through various methods of strategic planning of the main innovatization forms, which are the basis for increasing the efficiency of economic entities and the innovative saturation of regional structures of economic development.

INTRODUCTION

KEY WORDS
Russian economy, social medium, diversification, innovation, investments

Innovatization is one of the demanded economic paradigms for most developed and developing countries of the world, including Russia. Currently, innovatization is at the stage that can be defined as a “genetic push.” Its “genetic code” is revealed, the basic principles and vectors of dynamic development are formed and systematized. The adaptation and alignment of the mechanisms of innovative interaction in the hierarchical structures is taking place with an aim of optimizing the solution of theoretical and practical problems concerning innovatization of economic systems.

In this regard, the need for introducing a new category of “innovation” into the scientific circulation of modern Eurasian political economy, its effective conceptualization and formation of a general economic theory of innovation on the basis of this concept is being substantially updated. The latter is an ordered interaction of many provisions of various innovation concepts that exist in modern science.

The genetic beginning of integration of the general economic theory of innovatization into modern Eurasian political economy is discovered and traced in the process of analyzing the formation problems of specific theories of innovation in the works of G. Hospers [1], R. Smiths [2], M. Laranja, E. Huarab and K. Flanaganb [3]. Thus, G. Hospers, in his work “Joseph Schumpeter and His Legacy in the Research of Innovations”, analyzed the results of legacy of J.A. Schumpeter in the framework of neoclassic, evolutionary economic theory. R. Smiths, in his article “Teachings on Innovation in the XXI Century: Questions from Economists”, identifies the emerging “process” and “system” schools in his innovation research. M. Laranja, E. Huarab and K. Flanaganb, in one of their fundamental works “Politics in the Field of Science, Technology and Innovation: Theoretical Justifications of Regional Politics at Different Levels” considers the neoclassical theory of endogenous growth, the neo-Marshallian cluster approach, the evolutionary structuralist paradigm in terms of recommendations for translating them into the innovative policy of the state, regions.

MATERIALS AND METHODS

The analysis results made it possible to formulate a number of provisions relevant for the translation of the theory of innovation into modern Eurasian political economy. Firstly, such parameters as processability and dynamism are inherent in various fields and standards of living for the accumulation, implementation and development of innovations, innovatization. Secondly, it should be noted the insufficiency of a holistic approach in the modern scientific and practical discourse, implemented as a variable systemic innovative interaction of business, government and society as well. The most integrative trends in the development of the “innovation” concept are recorded at the mesolevel of Eurasian political economy and practice, and these processes are more prominent in the specific local entities.

Thirdly, the evolution of the general economic theory of innovation is characterized by structuring into stages, within the framework of which its methodological principles in the form of key fractals have been formed. At the first stage (1910-1940s), key fractals of the fundamentals of the general economic theory

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of innovation: relationship of innovation and long cycles, "technological" explanation of long waves, main provisions of the theory of innovation, were formulated in the works of N.D. Kondratyev [4] and J.A. Schumpeter [5]. At the second stage (1940-1970), the key macroeconomic fractals laid down at the first stage were described. For example, an analysis of the connection between scientific and technological progress and society made by J. Bernal, incorporation of technology parameter into neoclassical growth models of R. Solow [6]. At the third stage (since the 1970s), publications on innovation topics were intensified: new key fractals related to the innovation of firms and organizational and managerial spheres were substantiated. G. Mensch created the classification of innovations [7], R. Foster developed an 8-curve model [8], A. Kleinkhnet analyzed the innovation clusters [9], K. Freeman substantiated the concept of industrial revolutions [10]. During these years, the Russian school of technological structures was formed, the works of P. Romer in the field of endogenous growth theory emerged [11]. At the same time, at this stage, the ultimate goal of the implementation of economic policy in the structure of social reproduction is shifted to the comprehensive development of the individual.

A symptom of the formation of the innovative component of Eurasian political economy is a significant increase in publishing activity on innovation policy, commercialization, transfer and internationalization of innovations.

RESULTS

Determination of innovatization priorities in our study is based on a number of methodological principles. In addition to the criterion of "novelty" (according to various typologies in economic science, it is used as a synonym for the terms "breakthrough", "basic", "improving", "complementing"), when choosing priorities for the innovation of structures, it is necessary to take into account the form preferred for it - innovative or innovative. Do we need to create our own innovations or borrow them from other economic systems? In this case, the innovatization circumstances of specific spatial economic systems require clarification of the issue of alternativeness or complementarity of the main forms of innovatization.

Focusing on the creation and accumulation of our own breakthrough innovations involves partnerships between business, government and society, which shall support and ensure the development of the research and development sector, as well as the corresponding infrastructure (technology parks, innovative incubators, centers for prototyping and commercialization of technologies, etc.). The choice of the innovative development vector, which is implemented by borrowing technologies, requires a different structural budgeting and strategizing in Eurasian political economy. For example, positive experience of Japan and South Korea shows that the innovative form dominated there at the first stage of innovatization, that is, borrowing foreign technologies. Later, it was balanced with an innovative form, which is dominant and priority at present. Moreover, the output of innovative form to the role of dominant and priority in innovatization is unlikely to take place with such dynamics and at such terms.

The negative consequences of using the innovative form of innovatization strategy were identified by K. Peres. In the 80-90s of the previous (fourth) technological wave, the spread of technologies of the next (fifth) wave has already begun. As a result, the infrastructure corresponding to the borrowed technologies was created with borrowed funds, which could not give a full return due to obsolete technologies of the fourth wave, which provoked a debt crisis in this group of countries [12].

The innovatization priorities in all sectors and spheres of the Russian economy are determined by its specific nature. On the one hand, the country has a scientific and industrial base for an innovative form of development based on its own breakthrough technologies. On the other hand, there is a significant differentiation and inconsistency of the innovatization levels and their serious lag behind the level of foreign countries. At the same time, strategic planning of the innovative form of Russia's development is too risky, and focus on borrowing the foreign technologies may not have the desired effect, fixing its peripheral position in the innovatization processes at the mega-level [Fig. 1].

When choosing Russia's innovatization priorities, it is advisable to monitor the innovative potential of the regions in the field of creating or borrowing new technologies. The analysis showed that part of the regions of Russia can reproduce a development model on its territory based on the creation of breakthrough technologies, another part of the regions can specialize in borrowing the existing technologies. This will contribute to the diversification of the economy and innovation policy of Russia, which will reduce the political risks of the country's development as well.

One of the main elements of the implementation of the regional policy in the field of innovation is its significant federal support, which is implemented in order to achieve a balanced and coordinated interaction and development of individual territories. It is believed that co-financing of the innovatization of local structures for the development of national economic systems, conducting research and implementing their results creates additional opportunities for the socio-economic development of the regions of the Eurasian economy, and makes it possible to increase their competitiveness at the megalevel [13].

It is the most effective at the meso-level, where the individual regions and cluster formations of the Eurasian economy are concentrated. Support can be provided both by alternative approaches, and by complementary forms and methods that provide a local component of national economic systems.

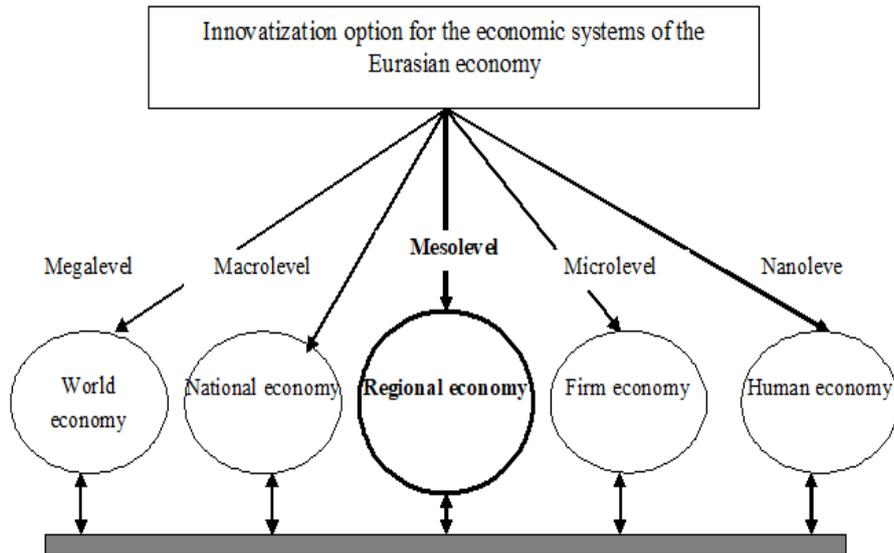


Fig. 1: Support levels for innovating Eurasian economic systems.

SUMMARY

We believe that a fundamental factor in the effectiveness of the Eurasian economy is its ability to generate innovation and innovativeness of conditions, factors and prerequisites at all levels of the hierarchy of the economic system. Sustainability is considered as a property of the economic system to create and maintain such fractal connections between structure-forming elements that allow maintaining all the necessary parameters of its dynamic updating at a given level with an aim of its effective functioning in a competitive environment.

It should be noted the unity of stability and variability, equilibrium and nonequilibrium structures of the dynamic development of the economic system This is what predetermines the innovation algorithm of the Eurasian economic systems.

Strategic transformation of the interests of broad sections of society based on the innovatization of the Eurasian economy involves a change in the proportions of the national wealth ratio. For modern conditions, this ratio is presented in Russia as follows: 65% - natural resource sector, 15% - human capital, 20% - physical capital. The national wealth structure of most Western countries has the opposite relationship: 65% - human capital, 15% - natural resource, 20% - physical capital [14]. Thus, when considering the innovatization of the Eurasian economy from the position of the ratio of its structural elements, it is necessary to choose an effective ratio of these proportions.

The innovatization of the institutional structures and infrastructure of the Eurasian economy is based on the creation of an appropriate institutional matrix. The trends and patterns of innovatization of the institutional matrix are expressed in the intellectualization, intensification and strengthening of the interdependence of all structure-forming institutions. The innovatization of institutions provokes formation of a complex process of economic, social and political relations, contributing to the creation of appropriate structures and requiring formation of an innovative institutional matrix. On this basis, the institutional structure (matrix) of innovative economic development is a set of mutually affecting institutions forming the mechanism of progressive Eurasian innovative socio-economic development.

CONCLUSION

Thus, the innovatization of structural elements of the development of national economic system will increase its competitiveness through acceleration and stabilization of the innovative activity by implementing a number of primary functions:

- The reproduction function of the innovatization of the Eurasian economic sustainable development is expressed in stimulating the production of high value-added products as the basis for economic growth.
- The transformational function of innovatization of the Eurasian economic sustainable development is represented by the need to modernize the economic prerequisites, conditions and processes.

- The structure-forming function of the innovatization of the Eurasian economic sustainable development involves the dissemination of new knowledge, information technology and intellectual potential.
- The geoeconomic function of the innovatization of the Eurasian economic sustainable development is expressed in the dominance of spatial local entities in these processes.

The defining feature of the current state of the innovatization of the Eurasian economic sustainable development is its diversification, complication and acceleration in accordance with the expansion of the interaction of globalization and regionalization of world economic relations.

CONFLICT OF INTEREST

There is no conflict of interest.

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