

Innovative Development of Municipalities

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Abstract

Purpose: Nowadays a big attention is paid to the transition of Russian Federation to the innovative type economy by the authorities of the federal and regional levels what is proved by the development and acceptance of the legislative, program and standard documents complex. The understanding of the municipal management body's importance and value is motivated and also the necessary efforts are made for the creation of the municipal management effective system in Russian Federation. How the construction of the socially focused society in Russia will be fast and successful depends on the productive functioning of the municipal management structures. Nowadays the strategic character of the problem to put Russia to an innovative way of development is defined in legislative, program and standard documents. **Methods:** In the article is used comparative methods and methods of systems analysis. **Results:** In the article we analyzed the basic concepts of the territorial development; proved the principle of the necessity to include the innovative investment development of the municipal unions in the process of a national innovative system construction in Russian Federation. The article presents results of developed the system of municipal management considering territories innovative and investment development and the model of strategic management of municipal union innovative investment development.

Keywords: innovative development, national innovative system, municipal union

1. Introduction

The wide spreading of the innovations is the key direction to the steady economic growth achievement and the improvement of the population life standards in the modern world. Meanwhile the state authorities, the local governments and municipal community do not pay the sufficient attention to the municipal union's innovative development. As a rule the municipal union's innovative development is considered significant within the limited circle of the territories possessing the special innovative status, for example, the science towns. Such an approach leads to the increase of the disproportions in the other municipal unions development and to the decrease of the population life standards and quality. In its turn it causes the social tension and the destabilization of the political and economic conditions. Considering the fact that the majority of the municipalities do not possess high rates of the social and economic development and cannot provide an adequate population living standard their transition to innovative development is represented more than actual. Thus it is necessary to notice that the high grade innovative development is impossible without the sufficient volume of the investments and therefore it is fairly to confirm that the territories development is innovative and investment.

Importance of innovation for economic development was investigated first in the works of Schumpeter (1961), Kondratyev (1984), Porter (1985), Yakovets (1999) and Drucker (1985, 2013).

Especially of the innovative development of countries, regions and municipalities analyzed in the works by Gadzhiev (2009), Nechaev (2014, 2015), Kokurin (2011), Larina (2006), Raevsky (2006), Atkinson (2012) and Sharpe (1998).

But in the existing works are poorly studied the features of innovative development of the municipalities.

2. Methods

The formation of the regional innovative systems should have a special value in the formation of Russian innovative system. Recently there are multilevel relations between the regions and Russian Federation in the

field of an interaction in scientific and technical and innovative sphere in the country. The quite certain problems are solved at each level: *on a federal level*—a definition of the development priorities of the whole country, a preparation and a realization of the programs and the projects having the important economic value and directed to the decision of the constitutional problems; *on a regional level*—a definition of the development priorities in Russian Federation regions, a formation and a realization of economic and social programs of development in regions; *on a municipal level*—an implementation of the concrete actions for the maintenance an ability to live and to develop the territories.

2.1 Innovation Development Territory

In Russia the intensive research works in the field of formation and development of NIS began in second half of 90th last century. The main aim of creation in Russia an innovative system is to maintain a sustainable development of a national economy and improvement of a population life quality on the basis of a mental potential use, generation, distribution and realization of a new knowledge.

The practice showed that the existing approaches in a maintenance the ability of the regions to live based on the acquisition of grants from the federal budget and the use of natural resources and available industrial potential cannot provide complex development of the territories and improvement of a population life quality any more. These problems can be solved by use of the innovative mechanisms for the territories development. Such an approach completely answers the modern dispositions which show that from the last century in the Great Britain, Germany, the USA and other states the territorial authorities along with the federal government start to play an escalating role in development of the high technology industries, and also the innovative processes.

The domestic history of the creation and development of high concentration science territories and the high technology manufacture is also wide enough and various. Here it is necessary to mention the closed administrative-territorial formations created within the limits of the so-called “nuclear project” and the academic scientific small towns functioning on the basis of the institutes of Academy of sciences. The newest history of the country development gives the examples of such form of a science territorial concentration and the high technology manufacture as science towns.

In the present Russian conditions it is possible to consider as the most typical representatives of a science high concentration territories and the high technology manufacture territories the following ones: the territories of a scientific and technical development (TSTD) and the territories of an innovative development (TID). Typical for Russia TSTD and TID appeared on the basis of the historically caused and regionally certain various kinds of the potentials: scientific, industrial, and educational and on the other factors and conditions as well.

2.2 Methods of Innovative Development

Generally it should be noticed that two approaches concerning territorial development exist in the economic literature. The first approach is—the concept of the alignment based on support of separate territories with a view of accelerated development by redistribution of means of the federal budget in their advantage for the certain period of time at the expense of other regions. Priority financing of the east regions of Germany after its association in the early nineties became an example of “an alignment policy”. The alignment policy was erected on the ground that the dispersed placing of industrial potential on country territory will lead to creation of own industrial base in each city or settlement and, hence, will help to keep local population from migration in advanced regions.

The second approach is based on the concept of the polarized development which starts with the position, that the development cannot be everywhere process, and proceeds only in the separate points of space having the corresponding potential. In the Russian Federation the policy of the polarized development is reduced to the search and the development of the points of growth (branches, manufactures) and regions-archipelagoes. We point out that the model of “the polarized regional policy” was used, for example, in Canada only in 70th last century. And only then it was replaced by more modern tools combining elements of support the depressive and backward territories on new principles, as well as the development support of regions-leaders.

Meanwhile the analysis carried out by us allows asserting that modern innovative development of Russian Federation territories is based on the concept of the polarized development. Nowadays there is an enormous difference in a population standard of living. In various groups and territories it differs according to Russian Statistics Institute for 14 times, according to scientists of the Russian Academy of Sciences for 40 times, at an average index in the developed countries up to 8 times.

3. Results

We notice that the idea of the state support of the most effective territories must not be rejected totally. As well as

it is impossible to reject a creation and a development of the innovative centers, science towns and etc. But we believe that an innovative development should concern both “strong” and “weak” municipal unions but both should have strategy and programs of an innovative development.

So, in our opinion the existing approach to the territories innovative development based on the concept of the polarized development is limited and unacceptable in the formation of the Russian innovative system and in the formation of the regional innovative systems on its basis now. We believe that an innovative development of territories should be based on the concept of an alignment (“softening”).

3.1 The Russian Federation National Innovative System

In our opinion, for the prompt formation of the Russian innovative system the feedback in which the special place should be given to municipal unions is important and on the basis of the analysis of their innovative and investment possibilities the concept of territories innovative development should be worked out.

Thus, on the one hand, we suggest to consider the innovative-investment development of territories within the limits of concept NIS and on the other hand to base it on the concept of the territorial development alignment (softening) (Figure 1).

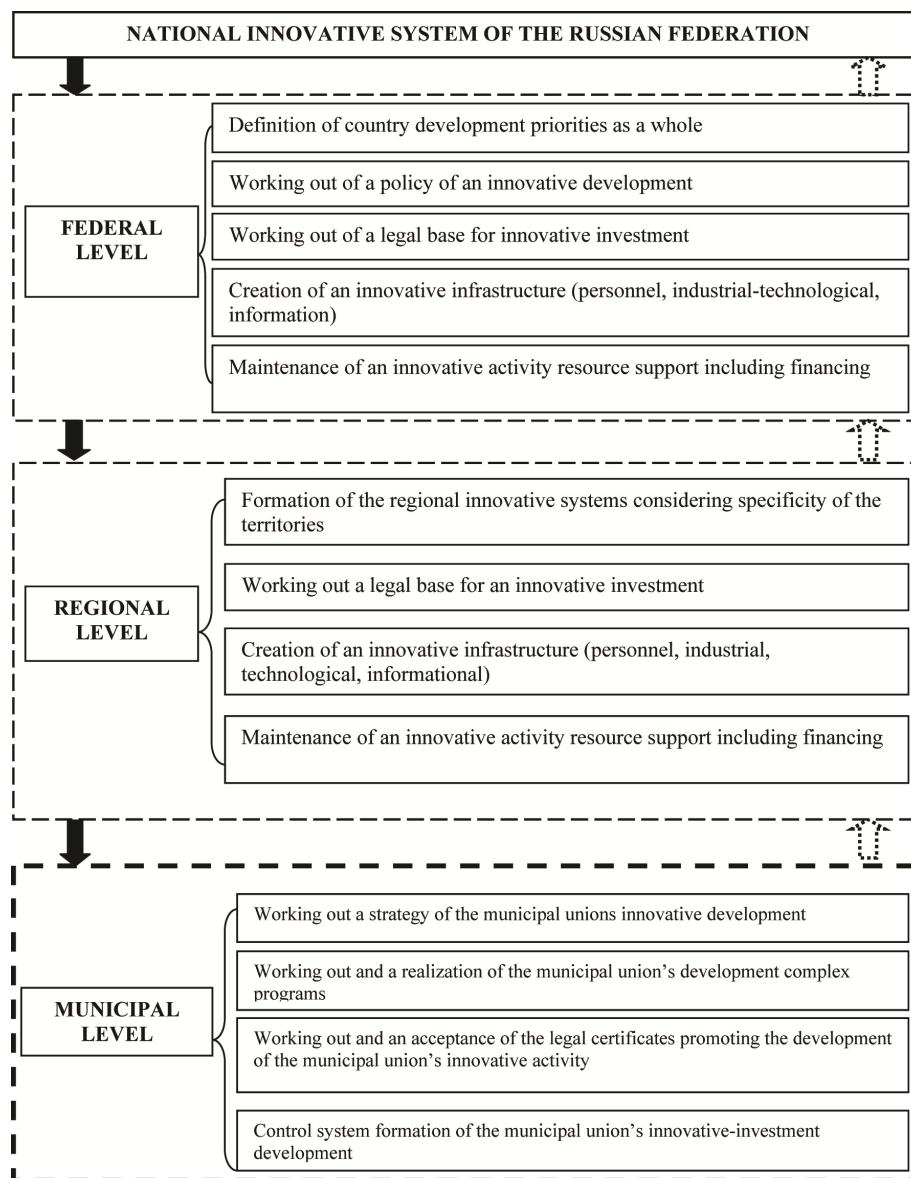


Figure 1. The Block diagramme of a formation of the Russian Federation national innovative system

The municipal management system covers the organization and functioning of the management subject (an operating subsystem); structure of the operating subsystem interrelations with the operated object (the straight connections and feedbacks); the operated subsystem and its separate elements which the administrative influence is directed to.

The municipal union population (a local community) and the local governments operating on behalf of the local community act as the subject of the municipal management.

The municipal union representing the difficult social and economic system consisting of the several closely co-operating and interconnected elements: the population, financial and economic, social, administrative, industrial subsystems and a subsystem of the municipal economy acts as the object providing the municipal union functioning, preservation and development.

3.2 System of Municipal Management Considering Territories Innovative and Investment Development

We believe that the transition to the country innovative development as a whole and to the Russia NIS construction demand the allocation of the innovative investment subsystem in the municipal management structure for sure.

Thus the system of the municipal management in the conditions of Russia transition to the innovative development way is presented by the author on Figure 2.

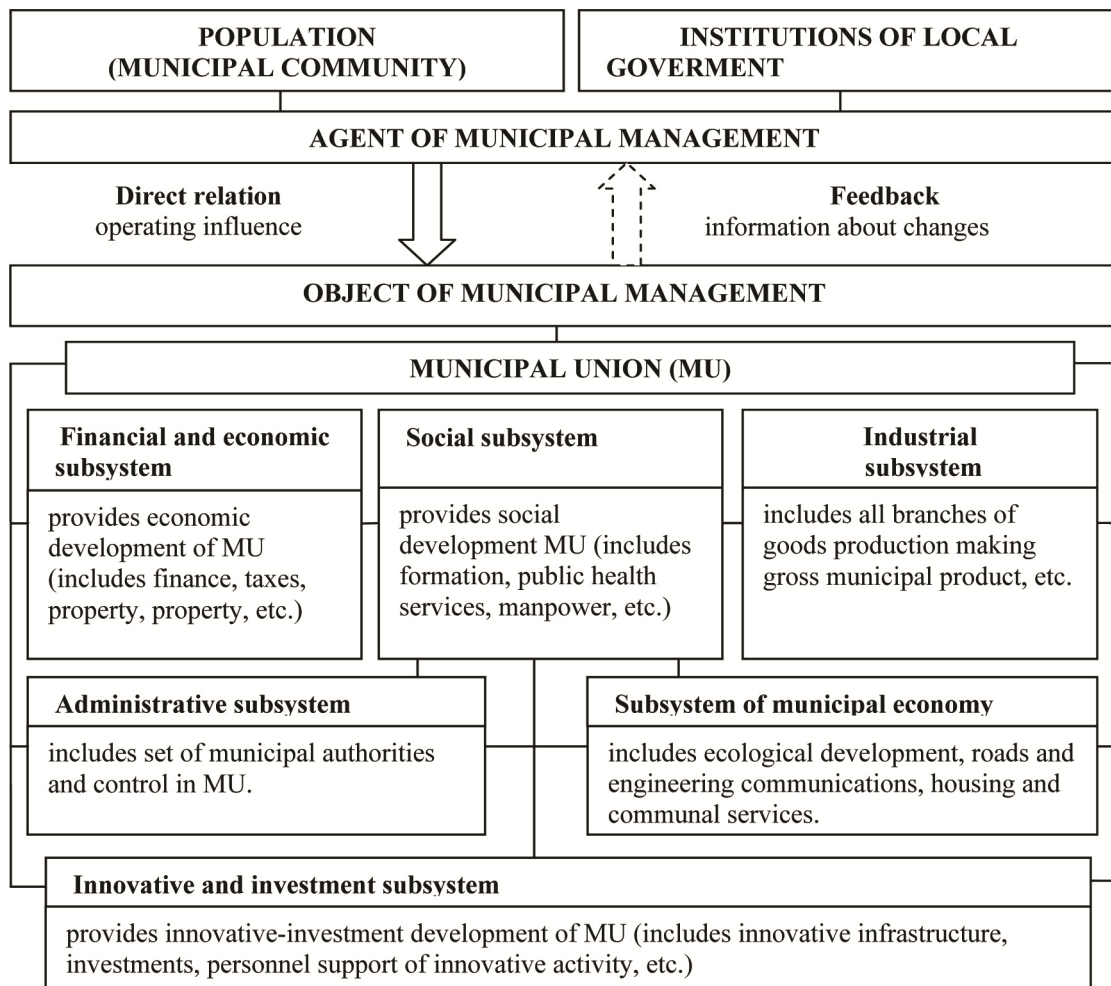


Figure 2. System of municipal management considering territories innovative and investment development

One of the basic development signs is the orientation the changes which can be planned and realized by means of

the development control system. The essential difference of the formed territorial development control system is the expansion of a local governments' powers circle.

3.3 Model of Strategic Management of Municipal Union Innovative Investment Development

Nowadays it is necessary to solve the current problems set in the municipal management practice therefore practically the local authorities do not have the catering to the long-term territories development planning. As a rule the local governments are not ready to estimate fully the resources available in the territory (personnel, labor, economic and others) and to define the strategic targets, the development directions and to develop the corresponding programs accordingly. Thus the municipal unions doom themselves to the situation deterioration in the future preferring not to solve the strategic problems and not to found the basis for the further development.

For the decision of the abovementioned problems the following model of the strategic management is offered for the municipal unions' innovative investment development. It is presented on Figure 3.

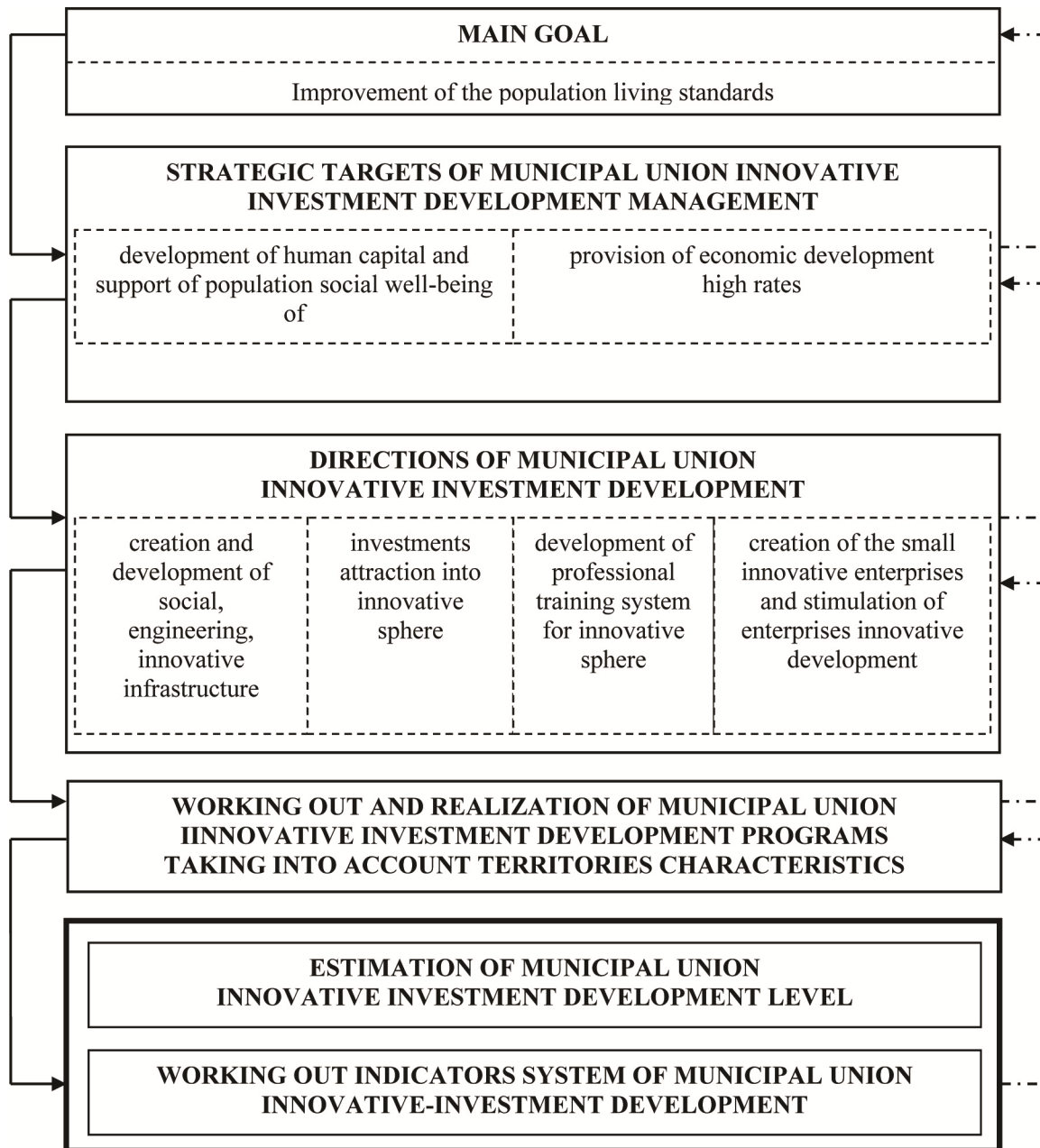


Figure 3. Model of strategic management of municipal union innovative investment development

Thus the developed model allows providing the transition of the municipal unions to the innovative development at the expense of the effective usage of the available territory innovative and investment potentials.

4. Discussion

There are different views on how to be innovative development areas. In the world practice there are examples of fast and successful innovative development of the local territories. Originally in a role of territories of science high concentration and the high technology manufacture acted campuses (Oxford, Cambridge) and large industrial centers (Lyons). Then appeared technological areas (Karlsruhe) and research-production clusters among which it is possible to allocate such world famous places as “Silicon Valley”, “the Karolinsky triangle”, “Highway 128”. Today the most widespread organizational elements of the innovative infrastructure integrating a science and a manufacture in the world are scientific technological parks. Considerably smaller circulation has technopolises (for example a technopolis of San Antonio, the State of Texas) (Kokurin, 2011).

The domestic history of the creation and development of high concentration science territories and the high technology manufacture is also wide enough and various. Here it is necessary to mention the closed administrative-territorial formations created within the limits of the so-called “nuclear project” and the academic scientific small towns functioning on the basis of the institutes of Academy of sciences. The newest history of the country development gives the examples of such form of a science territorial concentration and the high technology manufacture as science towns (Golichenko, 2006).

Furthermore, there is a different concept of innovative development of territories. First, it is the concept of technological structures. As a result of an economic development non-uniformity there is a replacement of complete complexes of technologically interfaced manufactures—technological structures. As a result of dominating structures replacement appear the new possibilities for economic success of the countries, regions etc. The countries which had the time to create reserves in formation the structure industrial technological systems appear the centers of an interest for the capital and reach qualitatively new level of a development (Kuznets, 1955; Yakovets, 1999).

Secondly, is the concept of clusters (Porter, 1985). The theory of clusters is based on the fact that the most competitive firms of one branch are usually concentrated in one region, it is connected with the wave nature of innovations which are extended by the most competitive companies and touch suppliers, consumers and competitors of the given companies what finally promotes the innovative development of the territory.

Thus there are different opinions about the innovative development of the territories.

5. Conclusion

So, the economy of innovative type can exist only due to the situation when the country and the regions, the municipal unions and a society are capable to innovations and carry them out. Thus we suggest to consider transition to qualitatively new stage of development not only from a position of federal and regional levels but also from local government level as a basic territorial link of managing in which all the basic processes of the population ability to live proceeds. They are a manufacture and a social consumption, a reproduction and a labor stuff preparation, management of the daily processes of life-support, an organization of the consumer market and an exit to other markets,—the territorial infrastructure, a self-development and a self-management.

A number of limitations of the analysis performed have to be mentioned. The innovative development of the territories is impossible without the sufficient use of the capital, financial, intellectual, labor and material resources. The attraction of the investments into the territories innovative sphere and the ability to invest the budgetary funds effectively for the territories maintenance and development is one of the most actual problems for today. So, in our opinion an innovative development is necessary to consider in a complex with the investment development of municipal unions.

Further studies can be associated with the formation of a new national innovation system based on innovative development of municipalities. This approach is aimed to the active use of the innovations and new technologies in all spheres of the municipal union activity is necessary for the progressive territories social and economic development. The involving in an innovative process the municipal unions which do not possess an innovative potential will allow finishing the innovation formation of the territories and will promote the transition to a growth stage.

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