

### Main lines of innovative management in the Moscow Region

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**Abstract.** The article deals with the main lines of innovative management of the Moscow Region included in the Governor's program "Our Moscow Region. The Leadership Ideology". The suggested model of innovative management of the region contains detailed description of mechanisms of this management and is based on the principles of practicability, efficiency, and personal responsibility. To facilitate implementation of this model, the article describes the methodology of innovative management of the region accompanied by detailed consideration of resources and mechanisms of management for each line of the Governor's program.

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#### Introduction

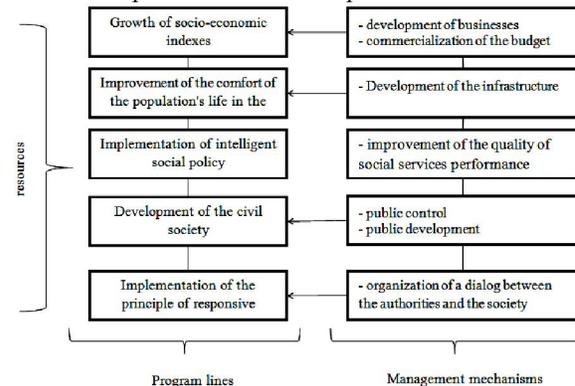
The main lines of development of the Moscow Region were formulated in the program of A.Yu. Vorobyov, the Governor of the Moscow Region, "Our Moscow Region. The Leadership Ideology" [1]. The ideology of leadership is based on three conditions (requirements) for the management team: professionalism, openness, and partnership [2]. At that, this program is based on social orientation and commitment to implementation of nation-wide tasks. In particular, it includes the following lines [3]:

1. Creation of environment for the socio-economic indexes growth.
2. Improvement of the comfort of the population's life in the region.
3. Implementation of intelligent social policy.
4. Development of the civil society.
5. Implementation of the principle of responsive authorities.

The primary requirement for implementation of the above lines is the presence of sufficient volume of necessary resources: financial, human, infrastructural, informational, and other resources. Thus, implementation of the "Our Moscow Region. The Leadership Ideology" program comes down to search, accumulation, and rational utilization of the said resources [4]. At the same time, it is obvious that taking into account the current economic situation, the work on achievement of the specified lines must be arranged on a principally new innovative basis. When building an innovative model of management of the Moscow Region, it is necessary to determine the terminology. Josef Schumpeter was one of the first scientists to develop the concept of economic innovation in his publication "The Theory of Economic Development". According to his concept,

*innovation* is a new scientific and organizational combination of production factors, motivated by the entrepreneurial mindset" [5]. The current scientific publications consider innovations as a breakthrough [6].

At the same time, the current state of economy requires not just presence of innovations in various spheres of the economy, but also presence of certain economic and(or) other effects of their implementation, i.e. existence of the so-called *proinnovations (proin)* [7]. We believe that the model of innovative management of the Moscow Region must be implemented based on *proins*.



**Figure. The model of innovative management of the Moscow Region**

The innovative approach to resource management for implementation of the announced program must be based on the PEPR principles: practicability, efficiency, and personal responsibility.

The limited nature of any resources dictates the necessity to use them evenly and emphasize those development lines, which are most demanded and

efficient. In its turn, efficiency of utilization of resources in particular, and region management as a whole, will be considerably improving when personal responsibility for decision-making is introduced.

The innovative model of management of the Moscow Region is represented in Figure 1.

### **Body of the work**

Each line of the "Our Moscow Region. The Leadership Ideology" program requires a certain set of resources. For example, to ensure growth of socio-economic indexes, it is necessary to possess financial resources. Financial resources can be accumulated in two ways: with government funds (revenues from budgets of other levels) and commercial finances (tax and non-tax revenues from the business community).

Development of government funds requires taking measures on the national level [8]:

1. Increase of the demand for new financial technology, particularly, for risk management.

2. Correction of budget standards that are obstacles for solution of global issues.

3. Achievement of a broader consensus regarding the issue of the role of government as an intermediary between the requirements of the internal and external policies.

For solution of regional issues, it is suggested to commercialize the budget. The idea of budget commercialization is the efficient utilization of available financial resources ensuring essential return (the economic or social one). Economic return must be calculated at the profitability rate equal to 15%. At that, latent transfer of socially important sectors of the economy in the commercial form is not acceptable. Chief magistrates should be held personally responsible for proper utilization of budget funds.

At the same time, taking into account the increased load on the federal budget, particular attention should be paid to development of commercial finances. Particularly, pumping up the revenue part of the regional budget requires taking measures related to development of the business. We believe that it is necessary to (with account of the experience of western countries):

1. Develop the real privileged taxation for small and micro businesses.

2. Decrease in the number of inspections by various control bodies.

3. Introduction of notification procedures instead of obtaining permissions by the business from the authorities.

4. Arrangement of information support to small and medium businesses [9].

5. Ban for any interference in the activity of businesses by municipal and regional authorities,

including ban for business operation by persons affiliated to the authorities in the region.

6. Subsidizing financial consultations for any employees responsible for expenditure of funds [10].

The suggested measures along with commercialization of the budget will result in increasing the population employment rate, raising of living standards, growth of GNP of the region and other socio-economic indexes.

The second line of the "Our Moscow Region. The Leadership Ideology" program is improvement of comfort of living for the inhabitants of the region. To implement this line, financial resources and organized cooperation between the authorities and the society are needed. Taking into account the territorial singularities of the Moscow Region, implementation of this line requires development of the regional infrastructure in the forms of stores within walking distance, construction of new roads, kindergartens and schools, children's playground, art schools, community centers, sports facilities. The most important element of the mentioned infrastructure are the reformed housing and community amenities. At implementation of these measures, it is necessary to take into account interests of all groups of local population. It is necessary to attract investors and sponsors to development of the infrastructure. Efficient cooperation between the authorities and the business is possible only at implementation of the first line mechanisms.

In order to implement the third line of the program, first of all, human (intellectual) resources are required. This line assumes improvement of performance of all employees engaged in the social sphere. In order to improve their performance, we find it necessary to solve two tasks:

1. Fair financial provisioning of employees in the social sphere.

2. Improvement of the professional level of employees in the social sphere.

Taking into account the changing economic environment of this category of employees, the first and most important task is to improve the professional level of employees in the social sphere. This task can be solved only on the level of government involving essential revision of state standards of education: education lines, requirements to education quality. Beside professionalism, an employee of the social sphere must have certain moral qualities, which are to be parented on the government level. But all these mechanisms are of a long-term nature, though the problem requires urgent solution. Based on that, it is necessary to revise the methodology of performance evaluation of the

personnel engaged in the social sphere on the regional level. In particular, to refuse from formal signs of assessments and move to real assessments given by the civil society.

In its turn, in order to develop the civil society further, it is necessary to implement public control and social development. The potential of inhabitants of the region is the resource of this development. Traditionally, the functions of public control by the civil society include protection of private life, supervision over authorities, stabilization of social relations, development of a rule-of-law state [12]. In order to fulfill these functions, the society must be morally and professionally ready for them. This requires development of the society both in professional and ideology terms.

The result of development of the civil society will be formation of "responsive authorities", i.e. authorities committed to providing for protection of the society interests. Implementation of this line requires information resources allowing to provide for a dialog between the society and the authorities with the purpose of studying the problems of the society and taking relevant decisions to eliminate them.

#### Summary

The suggested model of innovative management of the Moscow Region will allow increasing considerably the basic social and economic indexes of the region as well as the authorities' credibility. The distinctive feature of this model is the *proin* concept, which is the cornerstone of the model. It allows to vary management options with the purpose of achievement of the best effect.

#### Conclusions

The above-said gives reason to conclude the following:

1. For implementation of the Governor's program "Our Moscow Region. The Leadership Ideology", it is necessary to accumulate financial, human, infrastructural, and informational resources.
2. Achievement of the lines of this program is possible only in case of abidance by the PEPR principles.
3. The program must be implemented to the benefit of the region's population involving the business and based on commercialization of the budget.

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