

PROSPERITY OF THE POPULATION AS A PRIOR DIRECTION IN THE CHOICE OF INNOVATION PROJECTS

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ABSTRACT

In Russia innovations are declared as a priority of regional development. At the level of the federal authority it is declared that a considerable number of projects are an indicator of qualitative development of region. As a result, many regions welcome any innovative projects which are offered to implementation. However the question of utility of the project for the territory isn't estimated. Prosperity of the population should become a priority at the choice of projects. It is offered to consider operative and strategic prospects of prosperity for the project selection.

JEL CLASSIFICATION & KEYWORDS

■ O4 ■ Innovations ■ Projects ■

INTRODUCTION: EXISTING CRITERIA OF ESTIMATION

In the world economy there is a significant number of estimated parameters for the research of development of the region and the state. From them Gross national product (at regional level - GRP), including per capita, is applied most often. However the gain of a regional product expresses quantitative, but not qualitative change of regional development. At the global level special research institutes, in particular, the International commission on the basic indicators of economic activities and social progress divide indicators of development to efficiency and productivity of economic development indicators (Stiglitz & Fitoussi, 2010). In the research there are examples when factors of gross national product growth, an efficiency indicator, negatively influence the environment worsening the quality of life of the population, an indicator of the efficiency of development.

The usage of such indicators as GRP and GRP per capita reflects, first of all, an economic growth, and the components of the given index are reactive, which consider already developed and predetermined social and economic conditions and don't consider a forward planning and estimation tendency (Stiglitz, 2009). We can note the following fact: in adverse ecological conditions of the regions the government spends great sums for public health services, thereby increasing the GDP index; however the growth of such expenses doesn't mean improvement of the health of the population and of the quality of life as a whole. High level and growth of GDP are traditionally observed in city agglomerations and resource regions; however the perspective ecological and social component of well-being worsens in such regions.

Let's cite as an example Bodaibo region, one of the municipal unions of Irkutsk region. Now the total municipal product grows in the area due to gold mining expansion as the gold mining and enriching enterprises are the basic source of incomes of the budget and employment. Besides, there is a considerable quantity of the catering both infrastructural enterprises and areas, which is considered economically safe. However, at the current level of

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extraction the confirmed stocks will suffice for 25-30 years, in the process of exhaustion of its deposits the enterprise will be closed, the system of ecological management in the area is absent, development of alternative manufactures isn't spent, hence, in 5-10 years the development of the territory doesn't seem beneficial. Therefore, there is a perspective that competitive on a labor market families with children will move to other territories, so there will be only those families which aren't mobile or potentially aren't claimed. This will create change in the employment structure, worsen the general educational and cultural level, and create social problems.

In spite of the fact that the outflow of the youth from the majority of areas of Irkutsk region to the central regions of the country and abroad has already become more active, it doesn't worsen indicators of economic development because, as a rule, it is left by the students who do not have current work, however it influences negatively on social indicators which aren't calculated systematically in the area (Illarionov, 2008).

REQUIREMENT FOR CHANGE OF A PARADIGM OF PRIORITIES

There are a number of preconditions to the change of paradigm of priorities of the development of the region which include:

- Occurrence of new possibilities as a result of innovations;
- Cumulative depreciation of the cost of the natural capital including the result of exhaustion of natural resources;
- Search of solutions to the protection of the internal regional markets at the globalization strategy of the development of the state;
- Activation of migratory processes, such as change in able-bodied population structure or gender, national, and age migrations;
- Changes in the structure and the logistics of business due to the change of technological platforms.

Economic, climatic, and demographic global challenges redefine the approach to the strategic planning of the state and regional development, defining the priority not only for economic activities, but also for social progress, stability of development of the human capital, change of cost of natural actives, and quality of ecology. The usage of such statistics as population income and the rate of unemployment for well-being estimation ignores perspective social aspects, for instance, the level and availability of formation and quality of public health services.

Among the modern indexes estimating well-being researchers allocate IDHP, the index of the development of human potential, based on gross national product per capita, longevity, and an educational level, IDM, the indicator of the development of the millennium, developed by the United Nations, including some tens parameters, such as a level of an abject poverty, infantile, child and adult mortality rate,

disease socially caused to illnesses, gender equalities, ecology improvement, and so on. Let's note, in particular, that Irkutsk region is the leader at the indicators of daily revealed primary cases of AIDS and a tuberculosis, which worsens well-being of the population, but is reflected in GDP as growth of expenses on public health services, HPI (the happiness index), and other integrated (compound) indexes, such as Physical Quality-of-Life Index, or PQLI, starting with the term of life and literacy level, the True indicator of progress (Genuine Progress Indicator, GPI), considering ecological prospects, gender indexes, indexes of proprietors, for example an Vanderford-Riley well-being schedule, considering the value of own property, the number of working people, the satisfaction of primary needs, or the index of the total national happiness focused on psychological values (Brijesh, 2005).

As a rule, in the Russian practice the regional government uses the IDHP and the index of quality of life; however these indicators don't always pay off and are used in regions. Prosperity calculation becomes complicated as inconsistent work of bodies of the state statistical supervision, discrepancy of purchasing capacities of currencies, change of rules of calculation of base indicators, and so on.

The new paradigm of priorities of social and economic development (PSED) of regions from the position of maximization of perspective well-being of the population can be offered (Kinsley, 1997). It bases at the condition and tendencies of strategic planning of development of regions in the conditions of growth of innovations and allows providing a long-term sustainable development of the region. To define the criteria for sustainable development and for the estimation of projects and programs an efficiency indicator («Efficiency» and «Effectiveness») is used in the world practice. To increase the effectiveness on influence sphere it is possible to carry what influence the region population (social and integrated indexes), to productive – maximizing financial streams and business quantity indicators (The new economics foundation, 2010).

It is necessary to carry to retrospective indicators that are based on the existing facts (statistical) the perspective (trend) which shows the form of the future development and a region condition. Thus perspective well-being is estimated through the system of the balanced key indicators of well-being (CPI – core prosperity indicators).

Proceeding from a priority of growth of well-being of the population, for the project management of innovations at the regional level one of approaches to an estimation of influence of innovative projects on well-being of the population is the following matrix of key indicators of well-being.

Time / Sphere of influence	Statistical	Long-range
Effective (Human)	Life expectancy, poverty level, state of health, educational level.	An index of development of human potential, ecological prospects; a satisfaction index.
Efficient (Quantitative)	GDP, volume of investments into innovative projects, volume of receipts in the budget	Quantity of potential innovative projects, cost of natural resources, region capitalization.

Thus, by working out of priorities of social and economic development of region follows is balanced to use indicators from all 4 groups: HS, HL, QS and QL. It will allow realizing sustainable development strategy.

The given theory can be adapted for the selection of innovative projects from a position of their influence on well-being of the population.

On matrix HQSL it is possible to allocate the following parameters changing at realization in territory of innovative projects:

1. HS – a rate of unemployment; population incomes (cumulative purchasing capacity of the population of region);
2. HL – an ecological condition of region; a condition of the market of labor; the innovation level of regional business (as strategic prospect);
3. QS – change of productivity or cumulative additional GDP (defined including as change of already realized projects); an infrastructure (as the part of capitalization of the region, generating the potential income, including transport, financial, and other infrastructure); a financial stream (as the sum of tax revenues of budgetary system);
4. QL – capitalization of natural resources of region (security balance stocks of principal views of natural resources), etc.

CONCLUSION

On the basis of foreign experience it is possible to state the fact that innovative projects change long-term parameters of regional development, in particular, they create new goods and new approaches to business models and change the ways of perception of the existing markets. Proceeding from this at the estimation of innovative projects it is necessary to consider an indicator of cumulative cost of possession as for the proprietor and region, taking into account mutual risks.

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