

## Improving the Mechanism of the State Regulation of Innovation Activity in the Russian Federation

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**Abstract:** The political and economic changes in a number of countries of the world community periodical and wave processes in the global economy which caused the global crisis of 2008 – 2009 year, have a significant influence on the Russian internal and foreign economic policies. The methods of state regulation are modified and enhance. There are projects of successful solving of current problems and the position of Russia on the international arena becomes stronger. However, not stable state of the Russian economy, raw material orientation, market relations and dependence on world oil prices and energy prices, the gap between elite groups from the general population slow down the transition to a real and effective restructuring of society. Since the new model of global development and democracy has "test " character and have not been formed, dominant, in our opinion, the next decade will be the model - the "strong state, is deeply integrated into the global market," where the public institutions of power from top to bottom has a fundamental place.

**Key words:** State % Authority % The people % Property % Community % Program % Script % Innovation % Investment % Business % Concept % Competition % Culture

### INTRODUCTION

In the letter of the President of Russia Vladimir Putin to the Federal Assembly during the meetings with party leaders and business leaders were identified the main landmarks of the country for the next few years, attempts to meet the challenges of the coming decade. The strategic goal is to turn Russia into a leading world power in the twenty-first century.

Before such optimistic statements of the President during the past two decades were made great work for the convergence of our country to the world community and the near abroad, the consolidation of democratic legal foundations of society where personal freedom, social justice and economic viability are set as strategic priorities for the coming years [1,2,3 ]. Which way to choose, where is the "key" to effective success? Our thoughts we try to explain in this article.

**Our Goal:** "The concept of long-term socio-economic development of the Russian Federation ", prepared by the Ministry of Economic Development and Trade of the

Russian Federation [ 3], " Prediction of innovation - technological and structural dynamics of the economy of Russia for the period up to 2030, taking into account global trends " [4 ], developed by the Institute for Economic Strategies according to forecasts will strengthen the position of Russia on the international arena. This will contribute to the development of its comparative advantage in the competitive field of nuclear technology, aircraft, shipbuilding, space services and devices, software, educational and intellectual services and tourism services.

There are projects under which the size of Russia 's GDP in 2020 will include the five largest economies in the world, per capita GDP in purchasing power parity of about 30 million dollars in 2005 prices, at least 50 % of the citizens of Russia will be the middle class, lifetime will reach 75 years of age.

**How to Achieve the Goals:** Among the main goals are the accelerated development of the human potential of Russia, the creation of the competitive and institutional environment to attract capital into the economy, structural

diversification of the economy in three, main scenarios: the inertial, energy, raw materials and innovative - breakthrough [ 5].

Taken into consideration the risk of depopulation of the Russian population, not the immensity of mineral deposits and the increasing economic dependence on the export of fuel and raw materials, innovative, disruptive option, in our opinion, the spirit of today. From the six proposed conditions for the realization of innovative - breakthrough scenario, the implementation of "institutional transformation" must take priority.

**The Role of the Government in the Implementation of Planned:** The reorientation of government and private capital for innovation - a breakthrough way of development, determine the total vector of changes to specific activities will be supported by the widest possible range of citizens, where the leading role in the implementation of the proposed scenario would play the government, as the major, strategic legislators in key sectors of the economy.

"The people who are not accustomed to self-employment for the sake of public interest, wrote J. St. Miles, from the people who expect their governments to relevant instructions and orders on all issues of common interest, all abilities are developed only partly"[6]. The man can be the patriot if only he has the contribution to the realization of the common goal of the nation, therefore, not only material well-being of everyone, but also economic initiative, innovation, guarantees of private property and personal freedom, supported by government at all levels should become the norm of the next decade.

According to the concept and projected in the implementation of innovative - a breakthrough scenario the share of the state system will increase by 2030 to 34% of large and medium capital will be reduced to 38% of foreign capital to 6%, small-commodity business to grow from 8 to 14% [ 1].

Leading role in the implementation of the innovation - breakthrough scenario development Academicians discharged state, who took the brunt of the costs both in production and in the social sphere, to act as a strategic investor in key sectors of the economy.

**The National Wealth - the Basis of Economic Policy:** The national wealth is the basis and at the same time the result of economic development. Its estimated potential, quality of the structure and efficient use of each component is determined and at the same time characterize the level of development of the country and the basis of the competitiveness of the national economy.

National wealth as a collection of national assets and liabilities - is an appropriate subject for economic policy and regulation. In the middle of the 1990-s, the World Bank experts came up with the concept of national wealth, formed of the three forms of capital - " man created ", " natural " and "human" [7].

In the existing model of economic development of Russia material and the starting point of economic development is the complex of natural resources and their use with irreversible withdrawal or multiple recurring basis.

The tools of this model should be a public policy with innovative strategies and tactics that can't be limited only by ensuring financial stability, but also to create the conditions for a new quality of life, a new quality of sustainable economic growth, access to world markets of advanced technologies, diversification of the economy and for export potential, the formation of a national innovation system with the participation of business representatives at all levels. [8]

**Characteristics of National Innovation Systems:** The past period of market relations in the community showed that there is no other way for business to survive only the constant renovation. This requires the development and implementation of innovative development strategy, presentation of the venture business as a new socio-economic institution, the formation of a national innovation system.

The need for innovative development as a new field of knowledge has become vital for business people-businessmen and managers. It is necessary for employee of the federal and regional governments economic development organizations.

We all understand that the Innovations is the science of the origin, production and distribution of practical innovations, the content, conditions and results of these processes [ 9]. This process is connected with the changes in the social and cultural environment and the real society.

According to the degree of novelty we can distinguish two types of innovations:

- C radical, basic innovation, they open fundamentally new practical tools for new needs;
- C modifying, improvement innovation.

The stages of the creation, distribution and use of the innovations are determined by the logic of movement from the idea of the innovation to its implementation by the end user. Their sequence is an innovative process.

Originally they identified three stages of this process - a fundamental research, inventions and development. Then they added the fourth - actually the commercial (preparation and launch of a new large-scale production). Innovation life cycle expresses the dynamics of interaction of innovation process with its external environment, its economic efficiency for manufacturers and consumers of innovation [ 5].

**Purposeful Support of Innovative Development:** The National Innovation System (NIS) is a relatively new institution, innovative structure of society. It creates the conditions for direct interaction of the state with research and business organizations (firms, enterprises, corporations) to transfer knowledge into such, which are effective for the business and for the state and for the whole society [ 10].

After the 1998 financial crisis started the processes of recovering innovation and overcoming of the "innovation apathy". It's time to build a policy aimed at the formation of the new, Russian innovation system.

In November 2001, a presidential decree established the Council for Science and High Technology. In March 2002, a joint meeting of the Council, the Presidium of the State Council and the Security Council adopted a document "Basic Policy of the Russian Federation in the field of science and technology for the period up to 2010 and further perspective" [2]. A special section is devoted to the formation of its national innovation system as a major problem, an integral part of economic policy.

In February 2004, at the similar joint meeting were considered the Basis of the Russian Federation Policy in the field of development national innovation system.

NIS is defined as developing set of interacting entities of public and private sectors of economy which have innovative activities on the basis of formation between the subjects of innovative activities equal partnership relations.

In the section of improving the regulatory environment of innovation has been marked the need of ensuring effective protection of the rights and the balance of interests of the state, organization-developers, creators and investors in obtaining the results of intellectual activity.

In the first phase (2004-2005) they planned to solve 16 specific objectives, in the second phase (2006-2010) it was supposed to complete the formation of a integrated national innovation system at the federal and regional level and after 2010 - to further its development.

The joint work in these and other areas was carried by the Ministry of Industry, Ministry of Education of Russia, Russian Academy of Sciences. They worked together with the Public Chamber of the Russian Federation, a number of other state and public organizations. Thus, the Russian Research Institute of economics, politics and law in science and technology (RIEPP), was created in 2000, has begun the creation of National Russian innovation system model and monitoring of its development.

However, many of the proposals "bogged down" in the departmental disagreements in artificial debate on the definition of innovation. Ineffective is also the financial component of innovative infrastructure.

The answer to these questions is understanding of the mechanism of the state partnerships with science and business, based on equal rights for the participants.

Partnership rules should be similar to partnership in the business, in other words legal parities. The parity legally at the conclusion of the contract and after its conclusion partner relationship are built in accordance with this contract.

The possibility of such parity should be written in the legislative consolidation of rules and regulations governing relations between government and non-government organizations, members of civil society. Therefore, it is necessary to create a law on partnerships with state governmental bodies as a part of the partnership.

Innovative system in the national Russian scale cannot be effective without a regional innovation systems (RIS ).

This means that the regional information system should be oriented not only on the generation of scientific ideas and on their preparation for practical use, but also to bring these ideas to the stage of product innovation with its subsequent implementation to potential investors and producers.

The increase in the share of innovative products sold on the place, will raise gross regional product and investment attractiveness of the region. The current federal law does not focus on the aspects of the investment policy of the regions, but this doesn't contradict the right of the Federation member to create outrunning legislative regulation of these aspects within its competence.

Thus, the type of the Russian national innovative system depends on the political will of the governing bodies of the state, either they will choose mixed- network

national innovative system, which is based on the par value and the partnership and proved their effectiveness in different countries, or the preference will be given to the administrative-command type of the national innovation system [5].

We could distinguish the following basic principles of creation effective national innovation system in Russia.

The ensuring of not administrative-command but mixed network character of the national innovative system. First of all, they should pass the Federal law on the rights and duties of partners - participants of innovation processes, including the rules of parity interaction of government, academic and business organizations - public and private.

While identifying priority of directions for scientific and technical development at the expense of the budget governmental funds, the executive branch should be based on the conclusion of authoritative expert advice and do not hold back market competition mechanism of the extra budgetary spending on innovation. It must be possible simultaneous funding members of one and the same time innovation of different sources, creating innovative hybrid structures.

Legislating the decent estimate of intellectual potential of workers in scientific and educational institutions as a prerequisite for their active involvement in the innovation process. Science as a whole should have a substantial part of the national profit (at least 7-8 % of the federal budget), about 20-25 % of this part should be allocated for the maintenance and development of fundamental science, it should be mentioned that application (industry) science must receive more extra-budgetary funding.

Not less than 50% of the intellectual property created by the budget, must be owned by their sponsors (and organizations ). Scientists and groups that are directly involved in innovative projects should receive additional reward of funds to be invested in the development of innovation and innovative profits.

The intensification of the process of establishing in Russia national innovative system, including regional innovative system of the members of Federation, ensuring its implementation of it in time provided by "Fundamentals of the policy of the Russian Federation in the field of science and technology for the period up to 2010 and beyond." In this regard, there is an urgent need to accelerate the innovation of information space of the country. [2]

The implementation of these principles will help the Russian innovation system, strengthen communities and organizations to be able to create and disseminate innovation. This will be the effective working socio- economic institute of macro and meso-level. Analysis of the current state of Russia's national innovation system (NIS ) and the challenges associated with the aggravation of international competition, show that the main goal of innovation policy should be the creation of effective mechanisms to encourage technological modernization of all sectors of industry and services by enlisting the support of small and medium business, creating conditions for the nation-wide interest in the innovative development of the country, the creation of a middle class society.

## CONCLUSION

During the transition of the Russian economy through a number of government decisions and programs have been made repeated attempts to form a coherent state policy on the development of Russian science, fostering an environment of innovation orientation, its introduction in the industrial structure, the role of the state regional power as the basis for economic development.

For the latter, we note that the government should encourage the active lower levels of government for the development of innovative processes in regional and national industries, the mutual exchange of experience and cooperation between them at the appropriate level.

Thus, the analysis of the current state of the Russian national innovation system (NIS) and the challenges associated with the aggravation of international competition, shows that the main goal of innovation policy should be the creation of effective mechanisms to encourage the modernization of all sectors of industry and services, the creation of conditions for nation-wide interest in the innovative development of the state.

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