Concepts of Innovatizing and Modernizing Social-Economic Development in an Innovation Economy

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Abstract: The article explores the priority strands of the innovation development of public production in a post-industrial economy, such as innovatization and modernization. The authors have fine-tuned the tenor of and instruments for implementing these strands, broken down the social-economic contradictions in the development of innovatization and modernization processes and examined their role in accelerating adopting scientific-technical achievements and ensuring society’s progressive development along the path of social progress.

Key words: Innovatization · Modernization · Innovation process · Scientific-technical progress

INTRODUCTION

Efficient social-economic development amidst an innovation economy becomes possible only through the large-scale activation of innovation processes.

The activation of innovation processes warrants implementing activities on developing and adopting scientific-technical progress achievements in public production based on streamlining technology and machinery and mastering organizational, managerial, economic, marketing, social, ecological and other types of innovation.

Having said that, to this day many issues related to the theory and methodology of activating innovation activity and, particularly, exploring public production innovation and modernization processes have been resolved incompletely.

Main Part: Innovation social-economic development is a type of development that is based on the mass adoption and use of innovation in the activity of enterprises, constant streamlining of it, expanded reproduction and wide distribution of high-tech products and services.

In this type of social-economic development, the decisive factor of ensuring production profitability is the innovation activity of enterprises, which is based on close partnership with consulting firms, scientific-research institutions, innovation, venture and other scientific-production enterprises and institutions.

Some modern researchers equate the notion of innovation development to processes of the evolvement of an innovation economy in society, which various authors call “intellectual economy”, “economy of knowledge”, “information economy”, “knowledge-based economy”, or “creative economy” [1].

The methodological approach proposed by the authors in exploring the essence of the “innovation economy” category has helped define the essence of both the economy, which is based on a specific system of social-economic relations arising “in the process of innovation economic activity … and which are the ones that in the aggregate with their objects, subjects, their needs, interests and goals, as well as the mechanism for providing for them, form the economic system’s innovation sphere and act as a factor of the latter’s development. In the event when innovation economic relations become a sufficiently common factor of the economic system’s development and are assimilated by it, it transforms into an innovation economic system, an innovation economy” [1].

There are other views of the gist of the term “innovation economy” as well. Thus, according to T.A. Ismailov and G.S. Gamidov, an innovation economy should be construed as an economy that is based, above
all, on the newest knowledge, newest innovation solutions, active assimilation of innovation ideas, machinery, technology and products, readiness for and capability of adopting them in practical activity in all areas of public production. The basis of an innovation economy is made up of high-tech information and computer technology, which form the basis of the development and are the major means of production in the economy of post-industrial society. In this regard, the authors note that it is, above all, the technological basis of production that transforms and undergoes radical changes in an innovation economy under the influence of the process of accelerated scientific-technical [2].

On the whole, while we agree with the overall definition of the term “innovation economy” propounded by T.A. Ismailov and G.S. Gamidov, we feel one should have put more emphasis in this definition not only on the progressive technological basis of production but the other crucial and indispensable element of any way of production as well-the technological basis of consumption.

Innovation activity implies activity associated with adopting scientific-technical progress achievements and directed towards the active promotion of various types of innovation (technical, technological, organizational, managerial, economic, marketing, ecological, etc.) into production-economic activity.

The goal of innovation activity is meeting the economy’s objective needs in neutralizing any fissures it may have between already formed and possible conditions of adopting scientific-technical progress achievements in practice.

We agree with authors who construe innovation activity as specific economic activity directed towards developing, mastering, promoting and reproducing innovation in line with the latest achievements of science and technology.

In addition to the term “innovation activity”, we should point up the notion of the innovation process, which is the pivot of innovation activity.

The innovation process is a comprehensive process of the development, adaptation, promotion and production consumption of an innovation product with a view to meeting the needs of economic development along the path of economic progress.

The innovation process is a process that encompasses all the stages of the cycle of innovation efforts, starting from the conception of ideas and finishing with adopting them in actual production.

The innovation process is an economic process, which is a specific economic cycle. This cycle is an innovation economic cycle consisting of various stages: generating an innovation idea; designing the innovation idea through research and development; taking the design through to practical implementation in production; setting up trial productions, mastering and promoting innovation onto the market; commercializing innovation activity; production or other consumption of the innovation product; streamlining or modernizing innovation; adapting innovation to everyday activity and transforming it into a traditional product.

The innovation process is a controllable process with a system of control throughout the innovation cycle from the conception of the innovation idea to practically implementing and turning it into a regular consumption product.

One of the major issues of the efficient development of innovation processes amidst an innovation economy is the activation of innovation activity, which is construed as a system of outer and inner inducements, motives and stimuli of those engaged in the economy, which are aimed at accelerating and boosting the efficacy of the process of creating and adopting innovation in everyday activity and the operation of enterprises and organizations in the economic system of society.

In a broad sense, the term “innovation activity” is construed as an aggregate of new processes that encompass everything that is the result of adopting scientific-technical progress achievements. Such a view, certainly, does not give us a clear and well-defined idea and sometimes even leads to a mix-up of scientific and innovation priorities, which leads to inadequate information on requirements posed to the innovation infrastructure and innovation processes, which, on one hand, provide for the development of scientific thought and knowledge and, on the other, provide for the process of innovation development and activation of innovation activity.

In relation to this, we should agree with those authors who suggest dividing the notion of scientific-technical progress nominally into the scientific-technical component (new ideas, knowledge, inventions, discoveries, etc.) and production-technical component (the adaptation and promotion of the results of scientific efforts until the creation of radically new innovation technology; the practical implementation of it on the market; the efficient use and application of the innovation product) [2].
Thus, once we single out the major outcomes of scientific-technical progress amidst an innovation economy, it becomes clear that innovation activity should be construed as activity directed towards the practical implementation of adopting and mastering in public production of, most importantly, production-technical results, scientific-technical progress achievements based on the use of advanced production scientific-technical designs.

In recent years, in the science and practice of the innovation economy we increasingly more often come across the notion of the innovatization of social-economic development.

Thus, for instance, according to I.A. Isakova, “innovatization is the stimulation of economic-technological development” [3].

Innovatization is currently characterized by the active adoption of radically new breakthrough technology, high-tech processes of creating innovation products in all spheres of human activity.

Large-scale innovatization develops thanks to creating a high-tech environment everywhere, which is constantly changing and getting more streamlined in accordance with the development and acceleration of scientific-technical progress.

Apart from the term “innovatization”, we quite often come across the term the “innovationization” of development. By its meaning, the term is really close to the term “innovatization”, although there is some disagreement on this with innovationization construed as a component of the modernization process [4].

Along with the terms “innovatization” and “innovationization”, in modern science and practice we see wide use of the term the “modernization” of social-economic development.

At present, the widely used term “modernization” is viewed by particular authors in different aspects.

Thus, “modernization” in relation to any object is defined as a process of bringing (updating) it up to date.

The Large Definition Sociological Dictionary broadly construes the term “modernization” as a social process predicated on industrialization, in consequence of which unmodern and developing societies become modern and developed, that is modernized.

According to the theory of social movements by N. Smelser, modernization is construed as a complex aggregate of economic, social, cultural and political changes taking place in society in conjunction with the process of industrialization and mastering scientific-technical achievements.

In considering the process of modernization, modern theories point up in it diverse, at times contradictory, attributes (e.g., contraposing modern society with traditional, which impedes the acceleration of social-economic development, etc.). V.V. Prokin, in analyzing the terms “modernization” and “innovatization”, suggests considering them in a broad and a narrow sense [5].

In a narrow sense, Prokin construes modernization as “updating a society of a certain kind based on advanced modern specimens of machinery, technology and business processes” and in a broad sense as “an addition to innovation processes as such, adopting new discoveries, inventions in practice, etc.” The term “innovatization” in a narrow sense is construed by him as “adopting in production and the market something that has never existed in them before”. In a broad sense, “innovatization”, in his view, is “an addition to modernization in a narrow sense” [5].

G. Zhoga considers in a broad and a narrow sense the term “innovation activity”. Note that he construes innovation activity in a narrow sense as implementing and mastering the newest achievements of scientific-technical progress, business processes and technology on the global market. The author believes that in a broad sense the notion of innovation should include the process of modernization as drawing on and adapting those already in existence. Of certain interest are types, proposed by G. Zhoga, that include, apart from modernization, the archaization of society [4].

The term “archaization” means trends of degradation, going back to elements of the past social order contrary to prevailing trends of the development of scientific-technical and social-economic progress.

The primary causes behind the processes of archaization of society’s social-economic development are considered by some authors to be associated with radical reforms carried out by the government, which often do not comport with the traditional cultural characteristics of society being modernized, which leads to social transformation, recession, disorientation of a particular part of society, which becomes the carrier of archaic trends.

In his theory, G. Zhoga formulates one of the primary forms of modern archaization-the deindustrialization of a region or a country-and points up four major types of society’s development based on a combination of the following processes: a) the reproduction of archaization; b) the reproduction of modernization; c) innovation archaization; d) innovation modernization. The conceptual
models of social development proposed by G. Zhoga reveal the tenor of the stages of its movement along the path of scientific-technical progress and innovation. Zhoga points up the following stages of the movement of society’s development along the path of scientific-technical progress:

- Archaized society: dominated by archaization processes;
- Reproductive society: characterized by simple reproduction of not the quantity but quality of produced and consumed resources, products and services, social institutes and values;
- Modernized society: dominated by processes of the adoption in production and the market of new types of goods already mastered by leader economies;
- Innovation society: dominated by processes oriented towards discoveries (inventions), the market and public implementation of them. At the stages of reproductive modernization, there normally develop economies that are trying to catch up with leader economies, while the stages of innovation modernization are dominated by leader economies, which make a tangible breakthrough in product, technical, technological, social, etc., innovation [4].

The instruments of modernization are the drawing on, transfer and adaptation of already existing in public production more productive technology, machinery and high-quality products that are in line with modern ways of production and consumption.

CONCLUSION

Our studies have shown that the strategic strand of resolving the issue of boosting the efficiency, viability and well-balancedness of an economy’s social-economic development based on the adoption of scientific-technical progress achievements is the process of innovatizing it.

The innovatization of social-economic development is a process of the dynamic streamlining of the model of an economy based on the constant adoption of scientific-technical progress achievements, constant carrying out of the development and adoption of progressive technology, machinery and products on a whole new basis.

The distinctive characteristic of innovatization and modernization processes lies in that the former is grounded in the development and adoption of radically new progressive essential technology, machinery and products, which used to be one-of-a-kind and out of wide use before.

Having said that, modernization and innovatization processes are characterized by essential inner contradictions. The study and summation of national and foreign literature has helped reveal the following essential contradictions in the development of innovatization and modernization processes in social-economic development.

The first contradiction deals with the absence of a comprehensive strategy for innovatization social development, whose essence should lie in the unity of development along the path of the innovatization of all strands, activity areas and industries of the national economy, which is manifested in the implementation of scientific-technical progress achievements in relation to archaic (outmoded) products (the use of high technology solely in extracting oil and gas reserves but not in the deep refining of these).

The second contradiction lies in that innovation as a product of scientific-technical progress enters into contradiction with the process of reproducing it, reproducing products, machinery, technology, forms of labor and production organization, etc., already mastered and distributed across society.
The development and implementation of an innovatization strategy is an effective instrument for attaining the objectives of social-economic development. Such a strategy will help shape the major objectives and strands of innovation activity, define the choice of instruments, methods and means of attaining objectives and sources of resource provision.

Inferences: At the stage of evolvement of an innovation economy, the major priority strands of social-economic development are the innovatization and modernization of public production. The innovatization of social-economic development is a process of the dynamic streamlining of the model of a regional economy on the basis of the constant adoption of scientific-technical progress achievements, constant carrying out of the development and adoption of progressive technology, machinery and products on a whole new basis. A distinctive characteristic of innovatization and modernization processes is that the former is grounded in the development and adoption of radically new progressive essential technology, machinery and products, which used to be one-of-a-kind and out of wide use.

The process of innovatization of social-economic development, depending on the characteristics and specificity of natural, economic and other conditions, can have various levels of intensity, which is manifested in the scale and level of expenditures, efficiency of processes of developing and adopting scientific-technical progress achievements.

A distinctive characteristic of the process of innovatization of social-economic development is the development and implementation of a strategy for activating and boosting the efficiency of creating and adopting innovation solutions within the leading strands of regional social-economic development, at organizations and enterprises producing high-tech products of national economic significance; the organization of updating, distributing and consuming innovation solutions comporting with the advanced level of scientific-technical development.

REFERENCES