

## Directions of socio-economic modernization of Russian regions

*According to the author, if modernization is carried out without a thorough consideration of the country's social and territorial peculiarities, it can lead to the uneven distribution of "modernization" effects resulting in even greater imbalances of territorial development as compared to already existing ones. Long-term strategies and development plans, aimed at the socio-economic system modernization, should be based on the available potential of the regions. The notion of "socio-economic potential of modernization" is introduced, which includes not only a set of resources, but also qualitative characteristics of the regional systems. Socio-economic modernization is a set of interrelated directions, including the industrial policy activities, development of scientific-technical and innovation potential, improvement of social infrastructure, etc.*

*Modernization, socio-economic potential, space, regions, regional policy, strategic planning, public-private partnership, industrial policy, regional innovation systems, human development.*



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At present, the concept "modernization" is widely used in political debates, periodicals, scientific studies and is interpreted in various ways: as an upgrade, reform, development, positive changes, etc. According to a classical definition, modernization (from Greek "modern" – the newest) is perfection, improving, renovation of an object, bringing it in line with new requirements and standards, technical conditions, quality indicators.

Russian experts have developed several concepts of the country's economy modernization: the concept of long-term development of the Russian Federation for the period up to 2020; the strategy "Innovation Russia – 2020" [10]; "2020 Strategy: New development model – new social policy" (group of V.A. Mau – Ya.I. Kuzminov) [20]; priority development

strategy by S.Yu. Glazyev [5; 6]; the strategy of interactive modernization by V.M. Polterovich [17; 18; 19]; the strategy of the economy balancing and domestic demand stimulation by R.I. Nigmatulin [14; 15]; the strategy of innovation-technological breakthrough by A.A. Akayev [1; 2; 3; 4], etc.

In general, the participants of the discussion on the issue of modernization that is going on in the Russian scientific and expert community agree that the main Russian socio-economic development objectives include the establishment of a genuinely democratic socially-oriented state with a strong innovation economy, capable of providing its citizens with the high level and quality of life, as well as maintaining the country's competitiveness in the global economy.

Most experts and designers of Russian economy modernization strategies believe the efficient strategy of achieving these goals should envisage: the creation of innovation economy; ensuring a high level of human capital; conducting the efficient social and industrial policy; the improvement of institutions' quality; improvement of the business and investment climate; existence of a strong and efficient state; expansion of private initiative and free competition; organization of interaction between the state, business and society in solving modernization tasks.

The most disputable issues are the following: what should be done in the first place: accelerating economic development rates or curbing inflation; what kind of modernization should be the first to implement: institutional (improvement of institutions) or technological (promotion of economic growth); what type of demand we should orient at: domestic or foreign.

Deciding between the two modernization alternatives: "from above" and "from below" is also very important. In case of choosing the first one, the state's role is reduced to strict regulation, redistribution of gross domestic product in its favor, concentration of the resources necessary for wide-scale investment in the economy reconstruction, definition of branch-wise priorities and strengthening of administration. Choosing the second alternative implies the leading role of lower economic levels – enterprises and their corporate associations, market forces, private initiative, here the state's task consists in creating the conditions for proactive economic activities.

The common feature of these two alternatives lies in insufficient consideration of the spatial factor, determined by a wide set of the country's territorial peculiarities. Meanwhile, the long-term development strategies and plans, aimed at the socio-economic system modernization, should be based on the existing potential of the regions.

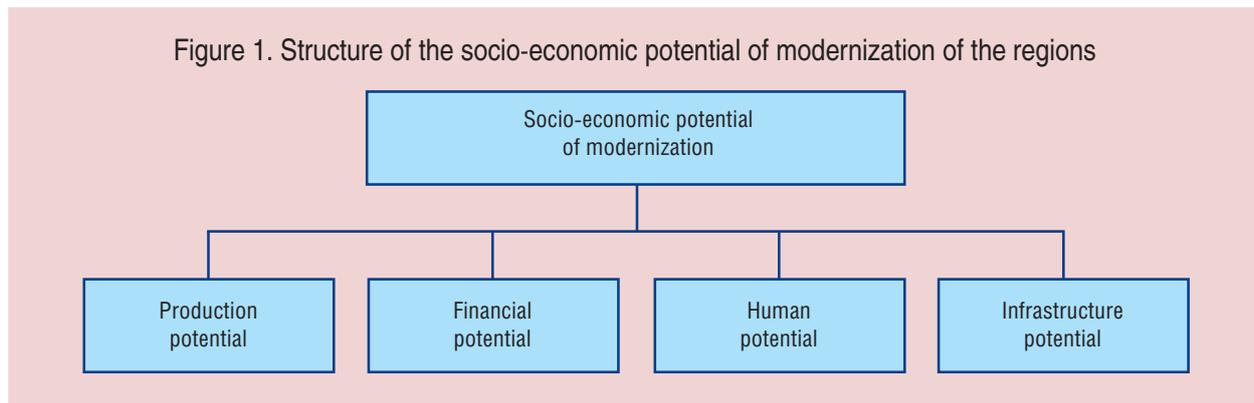
Modernization of national economies can be effected by using the state's and private business' own resources (creative type), as well as by attracting foreign investments, new knowledge, developments and technologies (adaptive type). It seems that Russian regions require mixed-type modernization with the smooth and efficient usage of advanced foreign achievements and their own scientific and innovation potential capabilities.

Choosing the specific modernization type for a certain territory should be preceded by a detailed analysis of the region's socio-economic potential. It should cover such aspects as the production base condition, technologies development level, professional competence level of the various categories of human resources, existing science and technology potential, financial resources of the territories, etc.

In this connection, it seems appropriate to use the concept of "*socio-economic potential of modernization*", which includes the very set of structural elements of the socio-economic potential, which can be used for achieving modernization goals. The concept of "*socio-economic potential of modernization*" includes not only a set of resources, but also qualitative characteristics of the regional systems themselves. These characteristics show the extent with which the existing system of industrial relations, development priorities, social policy in the regions are aimed at solving modernization tasks. The structure of the socio-economic potential of modernization is presented in *figure 1*.

In our opinion, the concept of management of socio-economic potential of modernization should be based on the following principles: potential is a dynamic characteristic, and can be traced only in the process of its use; the use of the socio-economic system potential should be accompanied by its constant increase; the processes of using and gaining potential are continuous, and they complement each other.

Figure 1. Structure of the socio-economic potential of modernization of the regions



The determining peculiarity of the region's modernization potential consists in the priority of both the achieved level of the most important volumetric parameters and the dynamics of economic and social development of a given territory. This essentially distinguishes the region's potential modernization ability from its general economic development level characterized only by static (level) indicators, such as, for example, the gross regional product.

The analysis conducted by the group of ISEDT RAS scientists in the framework of the project "Socio-humanitarian potential of Russia's modernization" (project supervisor – Academician N. Petrakov) revealed insufficient preparedness of the majority of Russian regions for the implementation of modernization transformations [9]. The main obstacles for their implementation include: the insufficiently high level of per capita GDP in most RF regions; the significant depreciation of fixed assets in Russia on the whole, as well as significant regional differentiation according to capital-labor ratio; the low level of fixed capital expenditure; the lack of financial support to science and R&D, the low degree of innovation activity, which is the reason for a low research intensity of production; uneven labour resources distribution, resulting in the surplus or shortage of working population in different regions; the low level of life expectancy, population ageing; the high level of socio-economic differentiation of the population.

**In relation to the country's socio-economic modernization tasks, it is expedient to eliminate the shortcomings of the present state regional policy, improve the methodological tools of regions' socio-economic development management.**

The general economy dynamics and sectors development dynamics at the federal level are the most important for establishing the indicators of the regional industrial and social spheres development. On the other hand, the national macroeconomic indicators in the strategic perspective will be achieved as a result of the country's regional socio-economic systems functioning. However, due to the differences in the level of resources availability and their utilization extent, the contribution of a given region to Russian economy on the whole will have its quantitative and qualitative characteristics.

The study of the existing management practice showed a number of shortcomings of the state regional policy in modern Russia. The most notable of them are as follows:

- the absence of the single scientifically grounded planning system of socio-economic development of the country and its subjects, as well as the lack of clear coordination synchronization mechanisms of the regional, municipal and branch-wise development strategies;
- power centralization and concentration of significant financial resources at the federal

level do not encourage regional authorities to improve management efficiency;

- the set of regional development management tools is limited, and reduced mainly to the budgetary transfers and federal target programmes, modern tools and management techniques are being implemented very slowly;

- the policy of socio-economic development leveling does not produce tangible results, the remaining regional heterogeneity continues to exert considerable negative influence on the structure and efficiency of the economy [22, p. 22].

Comprehensive socio-economic modernization of the regions requires the state regional policy updating, strengthening of the state regulation, introduction of modern effective forms and methods of influencing the socio-economic processes, as well as the qualitative change of the management system.

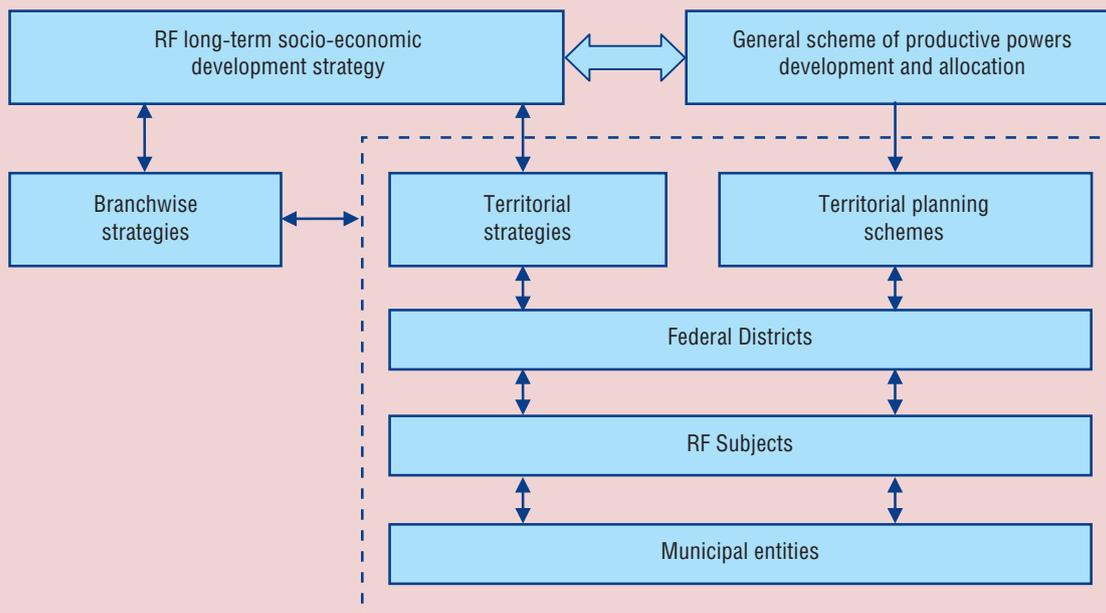
The main condition for increasing the regions' socio-economic development management efficiency in the direction of their modernization is the establishment of a strategic planning system, including macro-,

meso- and micro-levels. It is necessary to create the spatial-sectoral system of programme socio-economic development management (fig. 2).

Providing the necessary potential for comprehensive modernization of socio-economic systems in individual regions can prove to be a difficult task (with the possible exception for some most developed RF subjects). Therefore, interregional cooperation based on the interaction and specialization of different regions, is quite important. In this connection, it is considered expedient to increase the role of macro-regions (i.e. the Federal districts of the Russian Federation) in the regional management system.

In the macro-regional framework, many economic tasks can be solved more efficiently, the most important ones from the viewpoint of modernization strategy are the following: large-scale target projects and programmes implementation; financial, material, labour and other resources mobilization and their efficient use; development of inter-regional production integration; establishment of the systems of

Figure 2. Spatial-sectoral system of strategic management of the regional socio-economic development



corporate industrial-commercial organizations (corporations, companies, associations, etc.), R&D and manufacturing complexes closely connected with small businesses, large and diversified territorial-economic complexes and regional (zonal) markets with significant commodity resources and market infrastructure for the promotion of market flexibility and sustainability; establishment of firm inter-district market relations; efficient regulation of the science and technology progress, natural resources usage and protection, establishment of priority directions of production intensification and resource conservation; definition of regional and sectoral restructuring priorities, investment activity, establishment of the system of state support to underdeveloped regions and reorganized enterprises; establishment of rational and sustainable economic proportions and relations that contribute to the single national economic space stability.

The basic scheme of implementing these tasks is presented in *figure 3*. The peculiarity of the scheme consists in its orientation toward nationwide objectives and characteristics of modernization reforms.

In recent years, the RF subjects have carried out the conceptual strategic (and in many territories – programme) research on the regions' socio-economic development for the period up to 2020. It is relevant to adjust them for the purpose of linking the modern condition of regional economy with the country's long-term development strategy, promoting the implementation of the socio-economic development modernization scenario.

In the regions, it is necessary to create a multi-level planning system as an effective method for implementing strategic objectives and development priorities. This system includes strategic, tactical and operational levels of planning, and it is based on the regular monitoring (*fig. 4*). In this respect, it is considered appropriate to combine the

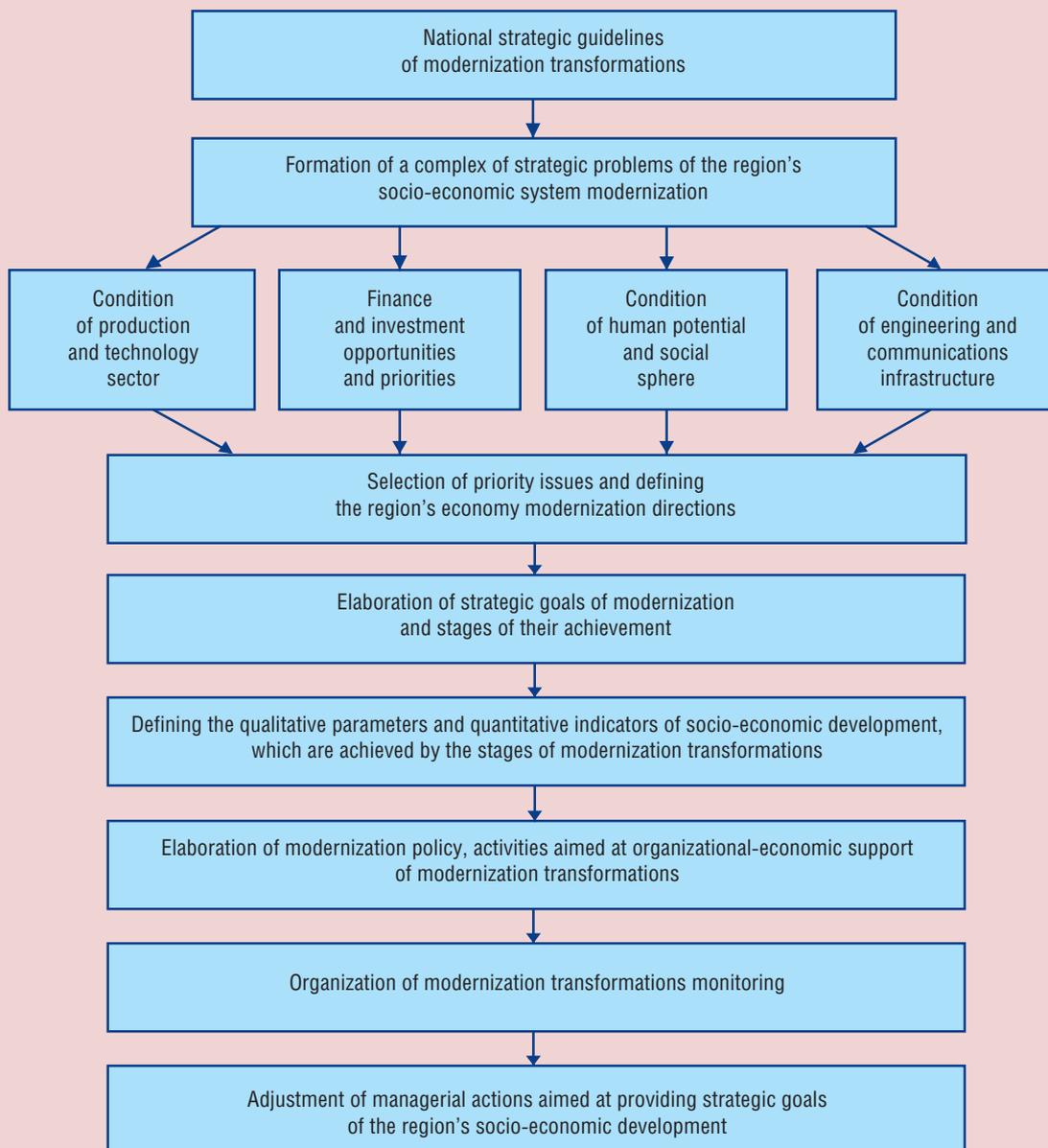
process of medium-term and short-term plans (programmes) elaboration (programmes), i.e. to create a system of continuous planning, including the elements of tactical (medium-term) and operational planning.

The essence of continuous planning consists in working out a single document – a comprehensive plan (programme) of a region's development for 5 years. Thus, the plan (programme) considers the first year in detail, with the monthly (quarterly) distribution of activities and planned indicators, the second year is described more widely (with semi-annual distribution of activities and indicators), the third and subsequent years – without quarterly distribution and in annual parameters. When drafting the plan (programme) for the next year, the activities for subsequent years are specified and complemented. Thus, the continuity and sustainability of the strategy implementation planning and management are ensured.

**The institute of public-private partnership possesses considerable potential for implementation of the regional socio-economic systems modernization tasks.**

The development of efficient institutions of cooperation between the state and business is one of the prerequisites for conducting successful economic policy, increasing the investment and innovation activity, improving the country's competitiveness as well as developing industrial and social infrastructure. Such cooperation will promote the GDP growth rate, improve the efficiency of public sector regarding its compliance with economic development requirements, reduce costs at all levels when implementing infrastructure projects. In addition, this cooperation promotes the improvement of the quality and increases the availability of socio-economic infrastructure and production factors, capital, labour, technology, and also the development of inter-firm cooperation, stimulates export and attraction of foreign investments.

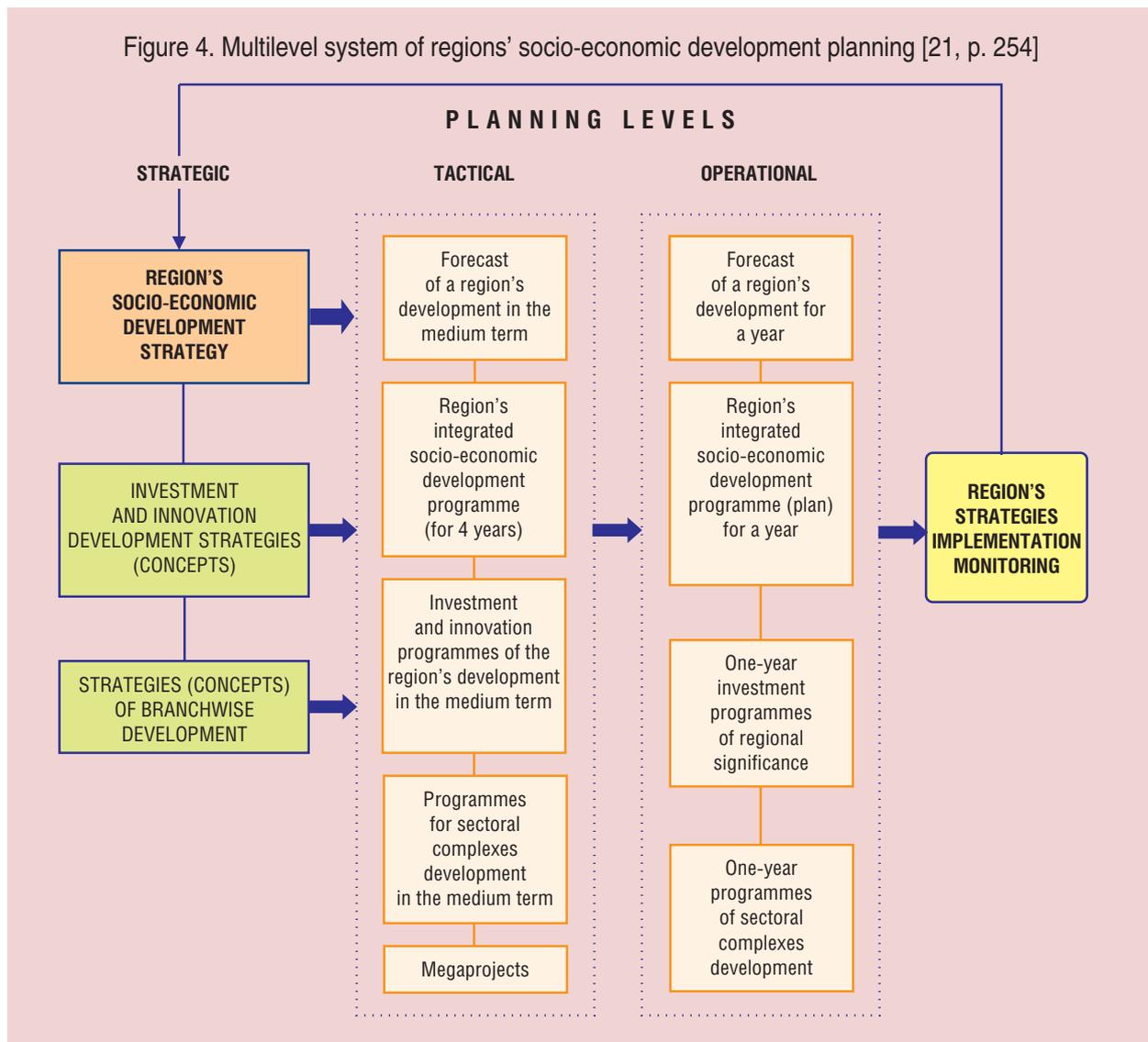
Figure 3. Basic scheme of defining the goals of socio-economic systems modernization and the complex of activities aimed at their achievement



Public-private partnership (PPP) is the form of interaction, most efficient for achieving the socio-economic modernization goals. Given the variety of definitions, PPP usually means a mutually beneficial medium- and long-term cooperation between the state and business, implemented in different forms (from the contracts on performance of works, share sales up to advisory cooperation between the government and business associations) that

is aimed at solving political and socially-important tasks at the national, regional and local levels.

Implementation of projects based on the cooperation between authorities and business is an important step toward the elimination of infrastructure restrictions for growth, establishment of new or modernization (technical, technological upgrading) of the existing enterprises, creation of new development



guidelines, promoting the increase of the regions' socio-economic development, expanding the range and improving the quality of services.

The process of creating and using PPP mechanisms in Russia is only at its initial stage. Expanding the partnership between business and authorities is possible through the creation of favourable conditions for the development of business environment. Along with the implemented measures, stimulating business for efficient investments, great importance is attached to practical steps toward the development of public-private advisory institutes, elaboration of partnership plans,

expansion of the national, sectoral and regional business associations' activities. Accordingly, the partnership relations between the state and business should be developed at the territorial (regional, municipal) and sectoral levels.

An important condition for PPP development is the solution of a number of organizational issues, including [16]:

- extending the access of enterprises to financial resources (launching the mechanism of using the investment fund resources; increasing the capital of development banks; providing the state support for the formation of venture capital funds; increasing the effectiveness of leasing support mechanisms);

- elaboration of long-term and medium-term programmes of economic development institutions functioning (investment, venture and guarantee funds, large investment banks and state corporations, institutions of supporting small and average business, etc.), improvement of their activity;

- development of information and methodological tools of government and business interaction: the formation of the legal base promoting the efficient development of authorities and business relations; consulting management bodies on the issues of organizing PPP projects, the development of an appropriate methodology; information support of PPP projects market, including the PPP projects database maintenance; monitoring and extension of the most successful experience of employers' and executive power bodies associations in the sphere of socio-economic modernization, their competitive co-financing of the implemented projects; participation in elaborating and selecting the programmes of improving professional skill of state and municipal management staff on the issues of PPP projects organization and management.

Achieving the following goals will promote the development of cooperation between business and authorities on the issues of economy modernization at the sectoral and regional level: removing infrastructure restrictions on economic growth; development of high-tech productions of manufacturing industry and agro-industrial complex; support of exporting industrial high-tech products; expanding the innovation and industrial potential of small- and medium-sized businesses.

These tasks can be solved through the formation and further development of special economic zones, industrial parks, subcontracting mechanisms, the creation of industrial clusters, etc.

Public-private partnership is an efficient tool for attracting private investments to

handling economic modernization issues. Regarding the potential of this institution, it can be stated that the further development of mutually beneficial cooperation can become the basis for increasing the resources usage efficiency and solving the problems of the progressive socio-economic development of territories.

**The decisive importance in the realization of the regions' socio-economic modernization is attached to neoindustrialization. The target-oriented industrial policy is the most optimal organizational-economic form of its implementation.**

Analysis of foreign experience in industrial policy implementation shows that, at various times, different tools of government incentive became the driving force of industrial development. Choosing a particular group of mechanisms of implementing the government objectives aimed at improving the country's competitiveness depends on its initial socio-economic condition. Meanwhile, the concept of state industrial policy in some countries is based on the principle of creating favourable conditions for the development of priority industry sectors.

The basic tools of regional industrial policy implementation include: the creation of conditions for improving investment climate; establishment of a favorable tax regime; provision of benefits on the loan rates to enterprises and simplification of the credit system as a whole; increase of R&D funding; development of the state policy oriented toward innovations and scientific-technical progress.

The world and domestic practice possesses a wide range of methods, which can be presented in several functional groups: structural, investment, financial and credit, foreign economic, scientific-technical, fiscal, price.

The most efficient are the following methods of regulating the regions' industry: the application of direct and indirect regulation measures (level of tax burden, foreign investment,

restructuring procedures, privatization of state enterprises, prices for resources and industrial goods); the introduction of measures for attracting investments in the region's industry; the study of experience of innovations introduction in the industry of other developed countries; commercialization of technologies, innovations, and developments; financing of fundamental research and R&D, as well as the development of infrastructure at the expense of regional budget funding; the formation and maintenance of demand for industrial products through state orders and purchases.

The development of science-intensive productions at the regions' industrial enterprises; implementation of measures for stimulating innovation activities in the industry; promotion of the industrial clusters formation; development of a regional normative legal base of the investment activity; monitoring of the investment activity; regions' participation in the federal target programmes; support and development of a region's investment-attractive image; improvement of human resources potential of the industry; promotion of establishment and development of corporate universities; establishment of multiple-access centres (MAC); development of technologies commercialization processes; improvement of the enterprises' financial condition; improvement of budget, tax, credit, and investment policy instruments; development of the population's entrepreneurial activity; creation of attractive image of an entrepreneur; development of the system of online information and advisory services; development of a network of centres of small business; improvement of the export potential of small enterprises' production; facilitating the access to non-residential real estate.

**The most important condition of the regions' socio-economic modernization is the implementation of a regional innovation system management model that takes into account the peculiarities of present condition of the economy**

**in the Russian regions, where the process of generating innovation ideas and the experience of their promotion are not coordinated properly.**

The transformation of scientific and technical potential into the key element of ensuring quantitative and qualitative economic growth, as the experience of developed countries shows, is possible only with the formation of a global-scale competitive national innovation system (NIS). This system represents a set of interrelated organizations (structures), engaged in the production and (or) commercial realization of knowledge and technology, and a complex of legal, financial and social institutions, which ensure the interaction of educational, scientific, entrepreneurial and non-profit organizations and structures in all spheres of economy and social life.

National innovation systems cannot function efficiently without the relevant regional innovation systems (RIS). Experience of RIS formation in the Sverdlovsk, Tomsk, Novosibirsk Oblasts and some other RF subjects proves that the characteristics and peculiarities of regional models of innovation systems depend on the level of scientific and technical potential in a given region, demand for innovations on the part of the regional national economy branches, as well as the interest of regional power and management bodies in the development of innovation activity. While in the majority of regions the innovation structures are fragmented, which does not allow to support innovation processes at the stages of innovations generation, commercialization and implementation. Besides, most of the worked out programmes and other documents, determining the development of regional innovation systems, were adopted relatively recently – after 2000. Therefore, it is still difficult to assess their efficiency from the strategic viewpoint.

The need for a transition to creating regional innovation systems is based on the necessity to solve the following tasks: the formation of a

regional innovation strategy, including inter-departmental and inter-regional strategies; creation of a favorable economic and legal environment for innovation activity, including intellectual property protection; provision of an integrated system of innovation activities promotion; formation of a large-scale innovation activity infrastructure; development of cooperation between scientific organizations, industry and other economy sectors; improvement of mechanisms of providing state support to the commercialization of R&D results; development and organization of innovation activity monitoring system.

The organizational and economic support of the regions' scientific-technical potential modernization in present-day conditions can be carried out in three main directions.

Firstly, through direct and indirect state support, including the allocation of budgetary funds for the development and implementation of innovation development modernization programmes and benefits for its participants.

Secondly, through a more efficient use of the resources of entrepreneurial, banking, financial structures, assets of the industry, region, as well as by attracting investments from other regions of the country and from abroad. However, in any case, the regions should make tangible investments in the transformation of scientific-technical potential and innovation activity. This refers to a possible legal establishment of fixed rate of expenses from the regional budget on science development for a sufficiently long period, as well as the guaranteed volume of financing of medium-term and long-term projects, included in the innovation programme and capable of efficiently stimulating the regions' socio-economic development.

**Successful modernization is possible only with the improvement of human potential quality, which, in turn, requires a change of existing principles, directions and mechanisms of the social policy implementation in the regions.**

The success of modernization directly depends on the social environment development level, its susceptibility to the processes of improving the existing or introducing new technologies, products and services, implementation of new principles of economic life organization, new management models and mechanisms, etc. Modernization a priori affects the axiological and motivational environment of individuals and large social groups. Examples of the most successful "modernization breakthroughs" in history have been associated with significant qualitative changes in the condition of human resources. These changes occurred under the influence from above (the state implemented large-scale programmes of social development, promoted the formation of appropriate institutions, etc.), as well as from below (the needs and attitudes of citizens changed, the level of enthusiasm and social mobility increased significantly, etc.).

Today, in modernization issues, major attention is paid to the objectives of human development, because it provides competitive advantages to the economies with an advanced technological mode. In this regard, human potential development issues are of a global nature. Most developed countries have to reform their social systems, responding to the modern challenges: ageing population and the increase of social burden on the able-bodied part of the citizens, urban population increase, the change of value orientations of the main social groups.

In connection with the necessity of transition to the modernization development model, both at the national and regional levels it is necessary to carry out socially oriented institutional policy [13]:

1. The substantial increase of attention to social innovations, bringing of existing at the regional (local) level formal and informal norms, rules and traditions in the social sphere in compliance with the present-day requirements. Socially oriented institutional policy implies the inclusion of social innovations

into all spheres of life, with a clear definition of the governing structures' functions taking into account the use of modern science-based mechanisms and instruments.

2. The adoption of determining value of the scale, sources and performance of social investment. The major source of social investments in modern Russia is the state (federal and regional) budget. At the same time, innovation approaches are necessary for involving business structures in the solution of the most acute social problems.

3. Institutional transformations in the regions should be oriented not towards the separate innovation activities, but towards the creation of broad institutional environment, the mass involvement of citizens in the creative activity in all spheres of life.

Modernization scenario implementation requires the reassessment by the state and society, of the role of investments in the social sphere. In the modernization conditions, human development should become the central link and target objective of the social policy including the social policy at the regional level. Consequently, the expenditures on the fulfillment of social obligations, especially in the areas of health, education, cultural policy, need to be considered the priority strategic investments.

**In the regions it is necessary to create the target-oriented highly-qualified personnel training systems and implement the relevant organizational and economic mechanisms of increasing the efficiency of regional educational policy.**

Modernization is inseparably linked with the provision of the regional economy with highly qualified personnel, capable of quick adaptation to the demands of jobs and labour market. Handling the problems concerning the training of employees possessing similar qualities is shifting more and more to the regional level. However, regional educational systems are not yet ready to provide the

enterprises and organizations with qualified specialists, which is proved by the presence of a whole set of structural problems. This stipulates the objective necessity of restructuring the socio-economic subsystems of providing employees for the regions' economy [8].

There is also an urgent necessity for elaborating and implementing the new mechanisms of regional educational policy. The organizational-economic mechanism of increasing the regional educational policy efficiency, which includes a system of measures aimed at creating a unified and open educational space is considered promising, as well as the tools of science and education integration, functioning on a permanent basis.

It is expedient to implement the model of scientific and education space that can be defined as a highly organized environment equipped with multi-functional "package" of infrastructures, necessary for building human and intellectual potential of the territory, targeted socio-cultural reproduction of people, personality formation and development, attraction of business, capable of producing new kinds of high-tech, competitive products and introducing modern technologies in the industry.

In this regard, the subjects of scientific and education space include: education establishments (secondary, professional: secondary vocational education (SVE), elementary vocational education (EVE), higher professional education (HPE); supplementary education); scientific establishments (research institutes, academic institutes, design organizations and corporation departments); institutions of the innovation sphere (venture funds, science and technology parks, business-incubators, technology transfer centres, innovation and technology centres, etc.); integrated structures (basic departments, research and education centres, etc.); establishments of cultural sphere (museums, libraries, theatres, objects of historical tourism etc.); households (school-

children, university applicants, students and graduates of professional education system, highly qualified labor resources); business community (enterprises of the real sector of the economy, the associations, unions and public organizations of industrialists and entrepreneurs, chambers of commerce and industry, etc.); state bodies of power and administration (development strategies and programmes) [12, p. 172].

The application of organizational, personnel, information, scientific, methodological, economic and social measures is essential for the coordination of actions in the single educational space management sphere. It is expedient to establish the interdepartmental coordination councils in the regions, taking into account the fact that at the regional level there are education systems, relating to the different management levels [20]. The aim of their work is coordination of activities in the sphere of single scientific and educational space management for the purpose of increasing efficiency of qualified personnel training management for the regional economy. This will allow the regions to move more rapidly to an efficient system aimed at training of specialists of a new formation, as well as to establish a full-fledged partnership between science, education, authorities and business for the further development of the regional education system.

The proposed approach will allow the regional power bodies to solve the priority tasks of innovation development through the rational use of such non-material asset as human capital. It will ensure:

1. Improvement of forecasting the staffing requirements of the regional economy, formation and distribution of the state task and order on the personnel training, including the creation of a normative base of forming the state regional order to the system of vocational education, on the basis of which the volumes and directions of training in professional education institutions will be determined.

2. Increase in the demand for graduates of professional educational institutions on the regional labour market by organizing the information and career guidance campaigns on professions and specialities of the priority sectors of the economy; the conclusion of contracts with organizations on training, retraining and improvement of professional skill of the staff and on career guidance work, the increase of the prestige of demanded occupations and specialities.

3. Formation of effective territorial-sectoral organization of resources of primary and secondary vocational education institutions through the building of optimal structure of vocational education institutions, organization of efficient network cooperation between professional education institutions of all levels (school/ EVE/ SVE/ HPE) and their cooperation with employers (equipping the new resource centers at professional education institutions on the priority directions of economic development; modernization of professional education institutions in accordance with the needs of the regional labour market and employers' requirements).

These mechanisms will allow to direct the educational activity to the achievement of practical goals facing the regional economy; the opportunities for improving the quality of specialists' training and increasing the competitiveness of research and education institutions will expand significantly; the necessary prerequisites for the transition to an innovation-oriented economy will be established in the sphere of personnel training.

**The necessary condition for modernization and qualitative economic growth, along with high intellectual potential, is maintaining the high level of public health, which requires improvement of the regional healthcare management systems.**

The implementation of socio-economic modernization is based on high labour productivity, which, in turn, is based on the high level of public health. In this respect, modernization policy should be oriented

towards achieving the best indicators of the so-called “healthy longevity”. The achievement of this goal requires the formation of high value of health, conditions for a healthy lifestyle and prophylactic activity of the population. In these conditions, the following two points are of crucial importance.

Firstly, the efficient solution of population health issues at the present time is possible only in the context of inter-departmental (functional, cross-sectoral) management, with the active involvement of civil society institutions in this process. The role of an individual who actively participates in his/her health management in daily routine and conditions, that require making individual choices, is recognized as significant.

Secondly, a key role in the healthcare system is attributed to the primary health care, which is an integral part of the national health system, performing its main function and being its main element, as well as the main element of the whole process of the society’s socio-economic development.

The analysis of the regional healthcare system (based on the materials of the Vologda Oblast) showed that the healthcare structure has significant shortcomings that reduce the efficiency of spending of the funds, allocated for healthcare and limit the capacity of healthcare services to meet the citizens’ demands and adequately respond to their expectations. In this respect, the restructuring of medical service should be carried out along with the process of healthcare modernization, consisting in technological equipping and staffing of medical services and the active introduction of compensatory mechanisms (day care facilities, ambulatory surgery centres, diagnostic and advisory services) [11, p. 143].

As an alternative to the existing methods of economic analysis, reduced to the assessment of the financial component of the health care system, we propose a methodology, based on a joint analysis of financial and demographic indicators in the structural (according to the

main classes of diseases) and spatial (in context of the Vologda Oblast municipal districts) aspects of public expenditures and social results, expressed by the “years of potential life lost” (YPLL) indicator.

The essence of the methodological approach “costs – losses”, tested on the Vologda Oblast data [11], lies in comparing the total costs of the budget and non-budget state funds on the financing of healthcare with the scope of demographic losses of the territory (the region as a whole and individual municipal entities) due to premature mortality. The use of such a mechanism in the monitoring mode will contribute to the improvement of scientific substantiation of managerial decisions making. The economic analysis results can be applied at all the main stages of the regional healthcare policy implementation: at its formation – as the basis for determining healthcare financing priorities; in the process of its adoption – as the proof of the financial claims objectivity; in its implementation – for the development of specific activities; finally, the tools of “costs – losses” analysis may be used to assess the results achieved, i.e. organizing a feedback mechanism.

Summing up the discussion of possible directions of the Russian regions’ socio-economic modernization, it is necessary to note the following.

1. Socio-economic modernization is a set of interrelated directions, including the system of national interests, goals and priorities of social development, the problem of transformation of Russian economy, its institutional structure and socio-economic policy.

2. Implementation of modernization without a thorough consideration of the country’s social and territorial peculiarities may lead to uneven distribution of “modernization effects”, resulting in a greater, in comparison with the already existing, disproportions in the development of territories and further “fragmentation” of the country’s social and economic space.

3. Long-term strategies and development plans, aimed at the regional socio-economic systems modernization, should be based on the existing potential of the regions and assessment of the balance of its development.

4. Modernization is a complex resource-intensive process, implemented on the basis of the combination of strategic planning theory and methodology, theories, concepts and methods of state and regional economy management.

5. The regions' socio-economic modernization process management is achieved through the formation of multi-level planning system, which includes strategic, tactical and operational forms and is based on regular monitoring.

6. The essential prerequisite for successful modernization is enhancing the role and place of the public-private partnership institution in the implementation of the regional socio-economic systems modernization, development of appropriate cooperation mechanisms between the state and business.

7. Crucial importance in the implementation of the regions' socio-economic modernization is attached to neo-industrialization, and the best organizational-economic form of its implementation is a targeted industrial policy.

8. The Russian regions require a mix-type modernization with the efficient use of both advanced foreign achievements, and their own research and innovation potential capacity.

9. The necessary condition of successful modernization is the establishment of the favourable environment of knowledge generation in the regions, based on the creation of regional innovation systems and the implementation of organizational and instrumental projects on modernization of science and technology potential.

10. Given the increasing importance of the social component (education and healthy longevity) as a successful modernization factor, the preservation and increase of human potential should become the object of priority investment.

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