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DOMINANT FACTORS IN THE DEVELOPMENT OF AN INNOVATIVE ECONOMY

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Abstract

Under the influence of the information and technological revolution, the transition of quantitative to qualitative changes requires the development of an innovative focused on imperative of intellectualization and socialization of the economy. The advanced global practice gives certain grounds to determine significant, established laws and principles of intellectualization of innovative economy in the conditions of modern information and technological revolution. The transition from one to another socio-economic system is associated with a wide range of different intellectual factors. Socio-economic systems under the influence of intellectualization are in constant motion and transformation. Under the new conditions, the volume of goods produced within the innovation economic space depends on the direction of human capital development. At the same time, creative intellectual development of human capital determines the content and quality of the most innovative economy. Intensive qualitative changes occur in all its industries, branches and sectors. Replacing labor with knowledge detonates the transformation of industrial production into innovative. In the new conditions, the concept of "production" is transformed into the concept of "innovation". To a greater extent this is related with the humanization of the economic activities of society. Therefore, the "anthropic trend", or the humanization of the national production, is a core principle, requiring objectively and humanistically oriented scientific knowledge. Scientific knowledge and innovation appears to be the foundation, the tool for improving competitiveness, as well as the basic element of the innovative model of the reproductive process.

Keywords: Development, economic growth innovation, human capital, information technology, intellectualization, socialization.

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1. Introduction

Economy socialization, with the accent on the innovative orientation for economic growth under conditions of a modern stage of an informational technological revolution, associated with humanization or a combination of the objective needs of economic development with the interects of the person. (Gasanov, Gasanova, & Zhavoronok, 2017). The study of the trends of intellectualization and socialization of the economy implies their extrapolation for the future, taking into account the prospects and results for various types of human activity, understanding the system of various diverse phenomena in their present and future. The development of a creative personality becomes a factor in the formation of an innovative economic model, increases productivity and generally leads to an increase in well-being. (Zhironkin, Gasanov, & Zhironkina, 2017). The reproduction of the woker himself appears as a comprehensive development of the personality, as an expanded reproduction in the sence of equipping him with knowledge, increasing his creative abilities and increasing well-being (Gasanov & Gasanov, 1993).

2. Problem Statement

The phenomenon of intellectualization of economic activity in the society originated during the formation and development of the industrial economic system. It was fragmented. Global, universal and complex nature of the process of economy intellectualization is enhanced within the information stage of development of economic activity in modern society. There are some questions related to this aspect. What are the stages where the intellectualization of economic interactions and processes is intensified? Is it connected with the modern information technology revolution?

In the industrial era, the intellectualization of the economy manifested itself rather fragmentary. At the sectoral level it was a monopoly phenomenon. In the conditions of the developed modern economy, the intellectualization of innovative economic activity from the micro and meso level of local state “breaks through” and covers the entire economic system.

All-permeating processes of intellectualization of the modern economy are of a systemic social nature. From fragmentary processes they turn into the basis of the economy of well-being. This is the period of development of new quality and parameters, socialization of human potential and all-encompassing creative actions for the development of innovative economy. Intellectualization is becoming a key globalizing factor in the development of the main social indicators that are related to the innovative economy.

In the conditions created by the information technology revolution, a number of problems of the innovative model of the reproductive process require rethinking, that includes the realities of achieved level of intellectualization and the formation of consolidating “contours” of socialization of the economy. In our opinion, according to the analysis of national and foreign economic literature, there are 4 relevant topical issues of economic theory at the present stage. These issues are: 1) question of the relation of 2 concepts – “intellectualization of the economy” and “socialization of the economy”; 2) problem of the formation of an innovative model of the reproductive process in the current stage of information technology revolution, its completion and transformation into a new type of growth; 3) problem of the

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relation and interaction of the intensification of innovative processes with the process of socialization of production related to the question of the intellectualization of national production; 4) problem of the relation and interaction of mechanisms and principles of intellectualization and socialization in the modern innovative model of the reproductive process. The processes taking place in a developed economy, acutely pose a fundamental question – to what extent the modern development of the economy, and its transition to a new quality, affect the intellectualization and socialization of national production? And will it lead to its systemic transformations?

The choice of research topic was determined by the relevance of solving these topical issues in both theoretical and practical aspects.

3. Research Questions

3.1. How are new mechanisms and principles of intellectualization and socialization defined and why are they formed?

3.2. How is the impact of technological progress on the intellectualization and socialization of the modern economy determined?

3.3. Can creative personality development be considered the dominant criterion for enhancing innovation processes based on modern scientific and technical progress?

4. Purpose of the Study

The formation and development of an innovative economy corresponds to the intellectualization of all its branches and sectors. At this point the needs for intellectualization of reproduction from the field of micro, mesoeconomic problems and fragmentary solutions is massively transformed into a model of successful social development in the form of all-encompassing investment and innovative projects of formation of intellectual and social capital. Intellectualization of the economy becomes a key globalizing factor of socialization that are typical to the innovative model of reproductive process.

What are the modern essence, objective and real logic of the development of these complex phenomena?

The goal of this research is to reveal the essence of the intellectualization of innovative economy, to the study its modern driving forces, conditions, factors, principles and mechanisms as the basis for the development of social parameters and well-being in the modern information technology revolution. The goal is achieved by solving the following problems:

- study of theoretical and methodological foundations of intellectualization of innovative economy;
- definition of principles and mechanisms of intellectualization;
- identification of the essence of new processes and phenomena in the innovation economy, its socialization and growth of well-being in the context of the information technology revolution.

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Within the framework of the presented work, the main attention is supposed to be paid to the consideration of intellectualization and socialization of the innovative economy and its principles and mechanisms in the context of the information technology revolution.

5. Research Methods

5.1. The methodological basis of the research is formed by the works of representatives of Keynesian, neoclassical, institutional, structuralist areas of economic theory, as well as by the works of Russian and foreign scientists related to the analysis of a new model of reproductive process, economic dynamics, development of the technological basis of the economy, development of goals, priorities and tools of intellectualization and socialization of the economy.

5.2. During the research the models of economic growth and innovative development, the theory of cycles, the theory of human capital, the theory of structural transformations, the theory of institutional development, the theory of information economy and the theory of socially oriented market economy were used.

5.3. During the research the following general scientific and special methods of economic research were applied: dialectical, historical, logical, structural-dynamic and system-functional, as well as scientific abstraction method, designed to identify the properties and patterns of mechanisms and principles of intellectualization and socialization of the economy.

6. Findings

The formation of an innovative economy in the new condidions of scientific and technological progress with the inevitable necessity develops its social side. The increasing use of fundamentally new technologies and new organization of production brings to the bore the social side. of labor. Chernov (1997) actively studied the problems of socialization of economy in the early 20th century.

In Western Europe, the social aspects of the development of factors of production and economics have been explored for decades (Ecklund, 1989). In USA problems of socialization of the economy are discussed in the works of Galbrate (1969). He argued that the combination of social relations should not change from civilization to civilization, but permanently, as the economy and society develop.

An innovative economy, an active digital environment, innovative in science and technology, focused on quality, increasingly depends on socialization. New technologies fundamentally change the economic activity of society. Digitalization covers all aspects of economic and social life. Vander the influence of new technologies, unique business management platforms emerge, employment is changing and new ways are being formed (Voitov, 2010).

Practice has shown that the formation of the new economy changes the subjective motivation of individual activity in society. Information and intellectual interests, rather than consumer values, are now becoming fundamental and defining values. This transformation of value orientations allows to suggest that the new economy, in the conditions of full satisfaction of material needs, begins to expand the range of information needs of society.

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The innovative economy is more focused on the domestic market. This calls for greater adaptation to the new quality of demand, in which the importance of information products and services is likely to increase. The practice of developed countries indicates the emergence of a fundamentally new production and economic sphere. The basis of the rapidly developing digital economy consists of information components that produce products with a very high proportion of human intelligence. The increasing use of digital technology and scientific organization of production actualizes the intellectualization and socialization of the economy.

Long-term factors in the development of an innovative economy change the structure of employment. At present, shifts in the structure of the employed population, which is the most common and important characteristic of its quality in the context of innovative development, are already noticeable (Vilkhovchenko, 1997). Some aspects of this problem are considered in the works of Russian researchers (Markov, 1979).

We believe the fact that industrialization and intellectualization also occur in different types of economic development.

Innovative economy is, first of all, a set of special industries, which create fundamentally new software products (for a specific period) and fundamentally new digital (information and telecommunications) technologies, which then more or less quickly gain new applications. On this basis, objectively created sectors of national production bear the functions of the growth of the entire economy. This reduces the dependence of man on technology (Bernal, 1956).

In the innovative economy, the production and technological transformation of information of the source resource is carried out – from idea to model, samples of the future product, technology, organization. Here the technologies of structural changes of information are being developed, as a result of which the information impact on the economy, on all aspects of human life is increasing. In this economy, information is included in the production of all goods, as its natural and essential component, is embodied in new means, objects, objects of labor and consumption. Here it is transformed into both a real and an immaterial form. In modern conditions, science and digital production are fused and on this basis there is the intellectualization of digital technologies. Industrial technologies are being transformed and cybernetized, agriculture is being transformed into a kind of scientific and industrial production. It has become an industry that produces raw materials for the processing industry. In agriculture, scientific and industrial methods are used, which further intensifies the anthropogenic impact on biological means of production. Digital technologies make it possible to create all artificial working conditions for the crop and livestock industries, provide them with production services, and facilitate the processing of their products. The regularity and inevitability of the process of qualitative structural transformations in the new economy objectively follows from the dialectical relationship between its function and structure. It is expressed in the fact that the change of the function as a way of behavior of the system inevitably entails a change in the structure, that is, the mode of existence of the system, the way of communication of its elements and parts. The content of interaction between the platforms of the new economy is revealed through their functions. The development of the new economy is carried out in the direction of its rational adaptation to the environment, improvement of its organization, complexity of structure and functions. The employee already occupies a unique place in the new production (Agg, 1984).

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The growing role of human capital is reflected in a profound modification of the structure of the digital economy and the employed population. An innovative economy, active in an enabling environment, innovative in science and technology, quality-oriented, is increasingly dependent on a skilled worker.

Creating new, production technologies makes sense if they ensure the development of the person himself (Pechei, 1985), when they raise a person to a new social height and expand his intellectual activity.

The new economy is based primarily on the expansive development of digital technologies. New industries are being formed and developed. An important principle is the digital transformation of the entire economy. On the basis of digital technologies the service and softening of new types of economic activity in the company is carried out. World-class universities are being developed and large-scale training of classified workers for the digital economy is being carried out. On the basis of digital technologies, organizational structures are being improved and their efficiency is being increased. A new system of social division of labor and knowledge is being actively formed. This creates the prerequisites for increasing the role of endogenous factors. New sources and factors of production coming to the fore are: information, human capital, various forms of intangible accumulation, digital technologies, etc.

The quantitative growth of information elements in various industries, industries and sectors of the economy (largely contradictory and uneven) develops into a qualitatively new phenomenon, a higher degree and form of digital process – digitalization (or digitalization). At the same time, it becomes a fundamental feature not of individual industries and industries, as it was in the 90 years of the XX century, but of the entire economy. Thanks to digital technologies, the socio-economic body transforms all the processes in which information begins to play a decisive role.

In 2000-2018 there has been a crystallization of the essence of the new economy. It aims to maximize the amount of information and minimize the amount of matter and energy in the production, distribution and consumption of goods and services. The structuring and development of the economy is increasingly determined by the digital paradigm. Now national wealth is beginning to create mainly at the cost of new technologies.

At the same time, the more economic benefits are produced, the richer the society is. In modern conditions, when there are significant restrictions in the use of matter and energy, the most promising way to develop production can be an increase in the amount of information per unit of goods and services produced. The principal feature of the innovative economy is that the degree of practical importance of information has risen to the level of use of matter and energy. There are many reasons and prerequisites that led to the formation of an innovative economy in developed countries. It should be noted that the formation of an innovative economy is a very complex and contradictory process and it is carried out in stages.

This is due to the principal increase in the role of those economic activities that are associated with the production of new goods and services, and the corresponding structural changes in the national economy. This phase acts as a digital economy and reflects the recognition of the fact that digital technologies directly determine the parameters of its growth, creating the basis for innovation, intellectualization and socialization.

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7. Conclusion

Intellectualization and socialization become the dominant factors in the development of in innovative economy.

Intellectual institutions related to the codification on theoretical knowledge are becoming the leading institutions of the innovation economy in terms of the allocation of human resources around them and the significance of the results of their creative activity.

Flexibility, readiness for innovations, creation of an effective social environment constitute the basis of the innovation economy.

The positive impact of intellectualization and socialization determine the development trends of the innovation economy, manifested in the combination of the objective needs of management with the interests of the person, with the formation of his personality and creative activity.

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