

INNOVATIVE DEVELOPMENT OF SOCIAL AND LABOUR POTENTIAL OF A REGION: INSTITUTIONAL ARRANGEMENTS

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Summary. Institutional component of the innovative development of social and labour potential of a region with the formation of mechanism of this development under the conditions of modernization changes in economy has been studied. The article

presents the critical review of the legal provision of social and labour potential. Based on such conclusions the recommendations concerning new strategic directions of Cherkasy region have been formulated.

Key words: *social and labour potential, innovative development, institutional environment, economic and social mechanism, modernization changes, strategy of the region development.*

Statement of the problem. In the management of the economy of a region there are significant impediments to effective upgrade that meets national interests and priorities of the regional development. Effective management of the development of social and labour potential in the modernization of the region's economy demands specific institutional levers that include state-administrative, regulatory, financial, credit, tax and social-psychological ones. The main danger lies in so-called institutional traps. They cause many negative effects and hinder the development of innovation social and labour potential. The need for mechanism formation to ensure the development of social and labour potential of the region is activated and it should provide the effective impact of social and labour potential in the innovative development of the regional economy as a whole.

Task definition. The aim of the article is to study the institutional environment and to determine strategic directions of social and labour potential development of the region aimed at innovative economic development.

Justification of scientific results. Research of the institutional framework of social and labour potential of the region should provide polyvector consideration of the relevant institutions as important factors and sensitive indicators of changes in the component structure of social and labour potential providing a well-coordinated system of social interactions. Fostering the development of innovative social and labour potential of the region is a complicated task that can be achieved through consolidation of efforts by different dimensions of

management. If to specify the institutional levers of innovative social and labour potential of the region, then the institutional space is reduced to the organizational form. In general, institutional levers can be viewed in two ways – as a set of rules, principles, standards, according to which the members of industrial relations must interact, or as a formed systemic unit with a defined organizational structure, i. e. management entities concerning the development of social and labour potential.

Consideration of the institutional levers of innovative social and labour potential of the region should provide inseparable links with those institutions that are authorized to implement them. They should not be limited to governmental bodies, including the regional level, because the institutional environment of social and labour potential of the region is formed by all institutions that determine its state and prospects of change directly or indirectly.

In the system of institutions of social and labour potential there are some destructives, the result of which is the formation of institutional traps, that refer to the norms, institutions and practices that are rooted in social and labour relations, have a destructive effect with significant losses and the evasion is impossible under existing conditions. Among the traps that destruct the development of social and labour potential, one should pay attention to the problem of desintellectualization of economically active population that have gradually rooted in philosophical outlook as a labour activity characteristic in recent years. Ways to overcome the above-mentioned traps should focus and be implemented on the regional level according to the following basic directions:

1) formation of values, public respect to the persons engaged in the highly intellectual labour. As a result the prestige of the following activities will encourage the development of appropriate knowledge and skills of others;

2) targeted support of specific highly-professional groups engaged in the activities that require a sufficient level of intellectual capacity;

3) creation of favourable environment for long-life improvement of the intellectual level of the youth aimed at ensuring the development of innovative social and labour potential.

Managing the development of innovative social and labour potential is a complex dynamic process of controlled influence on potential constituents in the context of defined strategic objectives, including ensuring an appropriate level of quality of life. The necessary phase of social and labour potential should be taken into consideration, as ignoring specific management approaches to the management of potentials in terms of the formation, usage, preservation or development is often a significant methodological problem of local researchers.

The expiration of Cherkasy Oblast Development Strategy by 2015 requires defining new strategic guidelines, in which the development of social and labour potential according to innovative principles should play a key role. At the same time, there is a need to develop a comprehensive legal document to regulate strategic goals of social and labour potential of the region. Based on these considerations, the author formulates the draft Strategy of social and labour potential development of Cherkasy region by 2025, which regulates the priority strategic goals of such development, based on the resource potential of the region and the problems that have emerged in the field of industrial relations and need urgent attention.

The aim of the Strategy is to ensure the development of social and labour potential of the region and

reinforce its innovation that will create new possibilities to potential economically active population and lead to improving the quality of life. The objectives of the Strategy to achieve the goal will be the following:

1. The creation of favourable labour environment, including innovative activity of economically active population, which would ensure the development of innovation as a powerful catalyst for social and economic development of the region as a whole.

2. Overcoming imbalances in the component structure of social and labour potential of the region preventing excessive advance of some potential changes over others, which generally leads to structural deformation in the field of industrial relations.

3. The provision of the developed system of social interaction in social and labour relations, built on the principles of morality, which will enable to consolidate the productive function of the economically active population with an increase in labour activities results and to overcome a number of mental deformation perceiving deviant behaviour as an acceptable norm.

Conclusion. Each of the defined objectives provides a set of measures, the effective implementation of which will help to achieve such results as: the formation of an innovative type of behaviour of the economically active population capable of producing and effective using of innovative ideas and solutions that will improve the overall state of the society in the region and enhance quality of life. The development of the mentality of the economically active population will help to build social interaction on the high moral principles with an active exchange of experience and, consequently, better labour results, including innovative activity; to create conditions of social and labour potential of the economically active population, for it to fully realize its potential with the appropriate economic and social outcomes.