

THE INFLUENCE OF THE STRATEGIC PARTNERSHIP OF STATE UNIVERSITIES AND BUSINESS ON THE INVESTMENT ATTRACTIVENESS OF A REGION

MOROZOVA, Irina A.*

POPKOVA, Elena G.

Abstract. The article reveals the essence of the mechanism of regional investment attractiveness escalation through the establishing of sustainable strategic partnership of state universities and local business. The author proves the effect of positive impact which appears as a result of quantity changes in local human capital, and the consequences following such changes are also described.

Keywords: high school, regional economy, investments, public-private partnership, investment attractiveness.

1. Introduction

In recent years, scientists, government representatives, practitioners, experts, talking about the future development of our country, are increasingly using the phrase "knowledge economy". Certainly, the current organization of enterprises, higher and secondary education, as well as communications infrastructure and mechanisms for transferring information in Russia still leave much to be desired and is a serious obstacle to the realization of tasks in the transition to the information society. In addition, to build a mature knowledge economy in the country requires a strong foundation in the form of a highly focused on innovation and results of human capital, as well as significant investment of resources for the implementation of specific business projects.

Any sane investor prefers to invest in regions with high investment attractiveness. Thus, the solution of the problem of accumulation of large financial flows for transformations appropriate in the transition to a knowledge economy requires increasing the region's position in the investment ratings.

In general, in the rating of investment attractiveness accounted for two integral indicators: investment potential and investment risk. In turn, the resulting potential consists of 9 private capacities: labor, financial, industrial, consumer, institutional, infrastructure, natural resources, tourism, innovation. Investment risk is divided into financial, social, administrative, economic, environmental and criminal risks.

Weight each of the partial indicators evaluated by expert estimates. The potential describes the proportion occupied by the region on a particular index in the Russian market, and the risk describes what may be the extent of the difficulties for investors in the region. The rating of investment attractiveness includes the statistics of the federal ministries: the Ministry of Communications, Ministry of Finance, the Ministry of Natural Resources and Environment, Central Bank, the Federal Financial Markets Service, as well as Rosstat official information.

* Irina A. Morozova, Dr. in Ec.Sc., Professor, Department of World Economy and Economic Theory, Volgograd State Technical University, e-mail: morozovaira@list.ru. Elena G. Popkova, Doctor of economics, professor, Volgograd state technical university, CEO of marketing agency "MARKA", 210471@mail.ru, Russia.

Table 1. Summary of data of income per head and universities by district in Russia in 2013 year

District	Number of universities	Number of graduate or postgraduate students, thousands of people	The number of faculty members, thousands of people
The Russian Federation	1036.12	5453.90	319
Central Federal District	475.34	2201.92	146.33
Northwestern Federal District	96.14	541.33	29.55
Southern Federal District	76.97	404.79	23.67
The North Caucasus Federal District	50.83	267.40	15.64
Volga Federal District	175.35	922.76	53.97
Urals Federal District	61.76	324.78	18.99
Siberian Federal District	75.12	395.32	23.12
Far Eastern Federal District	24.91	395.32	7.66

Source: Rosstat

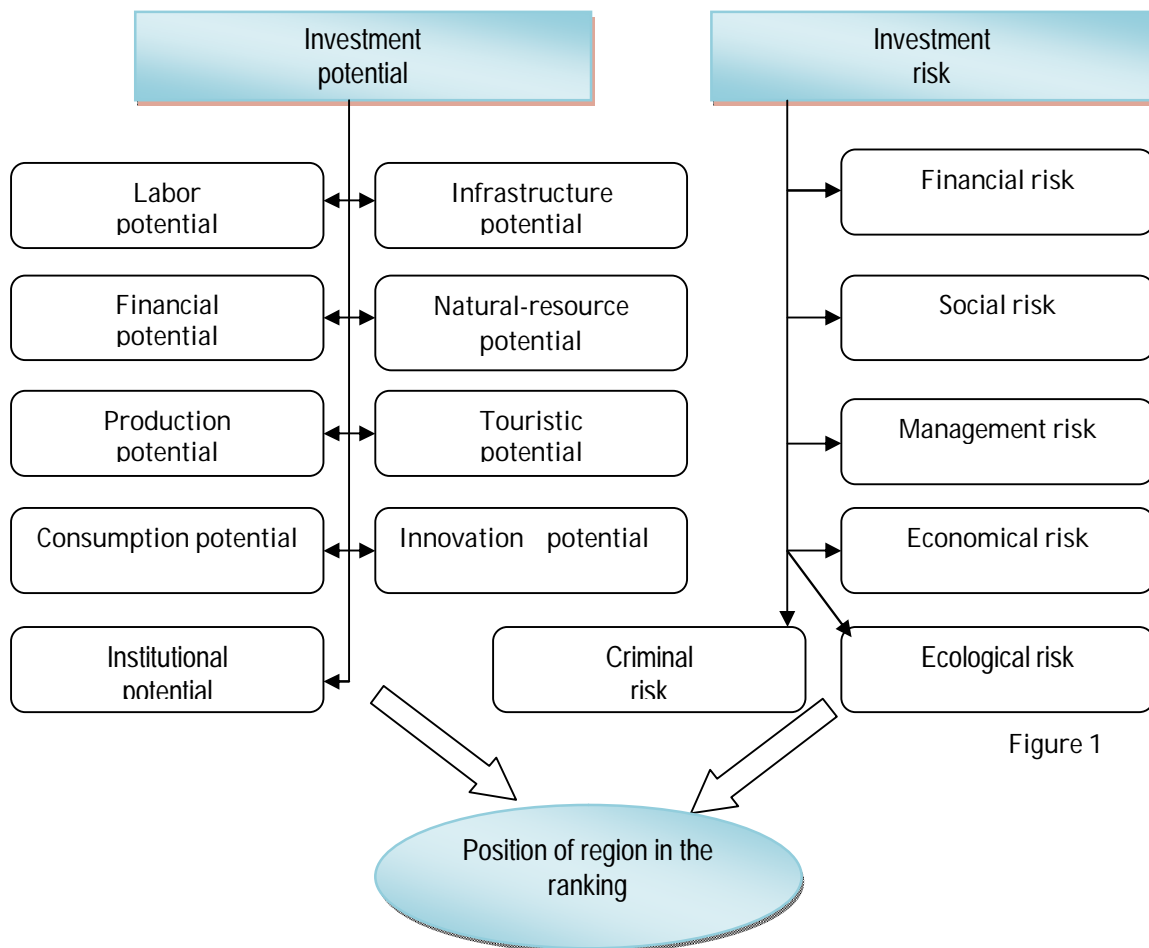


Figure 1

Figure 1. Components of calculating the region's position in the ranking of investment attractiveness
Source: Compiled by the authors

In 2011, according to the version of “RBC Rating”, Russia was on the 130 spot on the investment attractiveness, behind countries such as Estonia, Chile, Slovakia. Volgograd region in 2012, the rating agency “Expert” was assigned to the investment climate index 3B1, which corresponds to a potential and a moderate level of risk. Volgograd region is located on site 22 of 83 Russian regions according to the combined indicator potential. In 2011, the figure looked a little more optimistic - 19 place. However, labor potential Volgograd and its surroundings took 17th place, and Financial - 20. That indicates the presence of the necessary “seed money” to change for the better. The region has the weakest position on innovation and infrastructure potential - 42 and 41 seats respectively. At the same time the level of risk in the area in 2012, held the rank of 39, which puts it in the first half of the composite rating.

Classic version of an effective strategy for development of the region can be summarized as follows: maximize the strengths and possible to amplify weak. Qualitatively improve the region's infrastructure, encourage the emergence and innovation, strengthen financial flows, as well as to prepare the proper quality of frames can be due to active use of public-private partnerships between universities and enterprises in the region.

The very mechanism of PPP in education is quite simple and schematic is as follows:

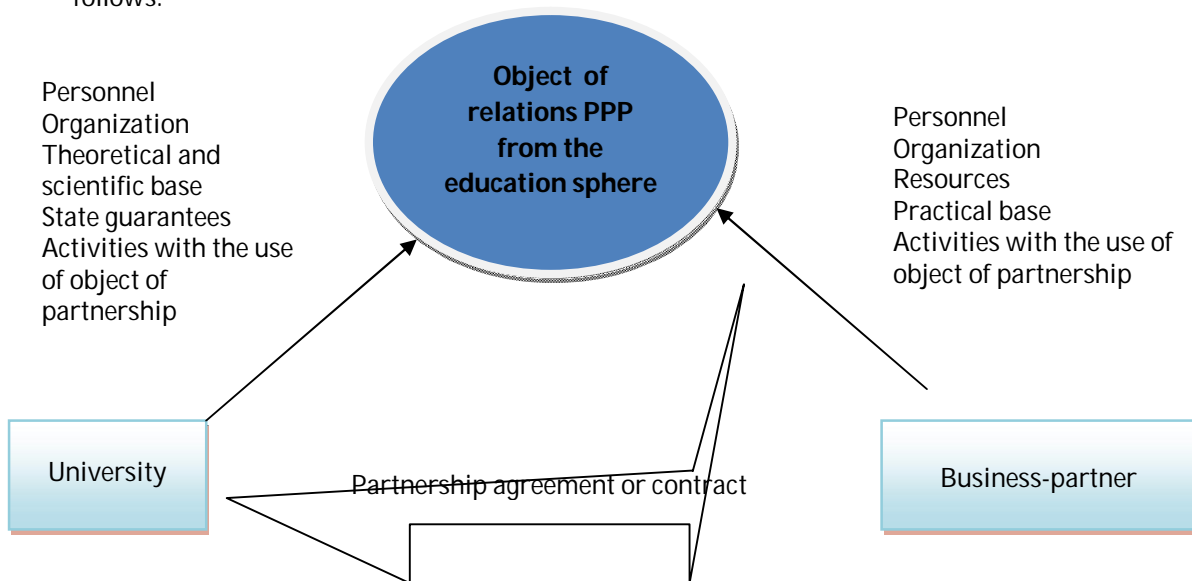


Figure 2: The mechanism of public-private partnership in education
 Source: Compiled by the authors

While PPP in education has a number of specific features uncharacteristic of classical forms caused by the social nature of education itself:

- The possibility of non-traditional forms of partnership;
- Bilateral participation in the organization of activities related to the subject and the object of the contract of public-private partnerships;

- Control of the commercial component;
- The need for external motivation of the private partner.

Traditionally, the most common objects of PPP in other areas, for example in infrastructure, are land, buildings, structures and other tangible property. In this regard, the private partner may invest in construction, reconstruction, maintenance, management and operation of the property, etc. State Partner in turn shall provide this tangible property and if it is included in its terms of reference, certain benefits and guarantees. In the field of education in addition to standard concession agreements in respect of education facilities (buildings, land, buildings, etc.), life cycle contracts, leases and trust management can also be used mixed contracts PPP. These include contract, including the execution of works and property relations, contract to perform services, the contract for the provision of educational services, the so-called educational franchising etc. (Chaikin, 2010).

Bilateral involvement in the organization of activities related to the subject and the object of the contract of public-private partnerships, and control the commercial component of this activity are closely linked. As noted above, education has a social nature, so it should be aimed primarily at meeting the strategic needs of mankind: a qualitative knowledge in the appropriate level of cultural and human development, to provide scientific and technical progress and collating, processing and long-term storage extension intellectual capital. Therefore, public-private partnerships in education on the part of business cannot be directed only at an early profit in financial terms. Commercial component of the partnership should be limited to some extent by existing long-term needs of society. Balanced business activities in a public- private partnership can be achieved only when the control process using an object of the contract are just two sides.

However, too much concentration on the non-profit component may deter from the real business of PPP projects, since the ultimate goal of any company operating in the market - is profit. In such a case requires additional compensating extrinsic motivation of the private partner with the state. This can manifest itself in the form of tax breaks PPP participants, simplification of reporting, providing administrative and hardware support and priority in making any permits acts of the local authorities and so on.

Public-private partnerships between universities and enterprises in the region affect the level of investment attractiveness indirectly, but very powerful: through changes in the quality of human capital in the area. Under the Government policy of modernization of the national economy and the development of high technology, human resources is gradually becoming one of the most important socio-economic sub- region. S.E. Naryshkin refers to the number of frames support subsystems management investment process (Bychenko, Loginov, 2008).

Weak qualifying level of control and other personnel, the so-called cadre "hunger", can lead to a collapse of the most promising innovation and investment projects. Along with this education in most developed countries is the catalyst for the development and qualitative changes in human capital associated primarily with investments in education and a more rational and efficient organization of the economic system, as well as the knowledge society.

Ceteris paribus increase employment potential and quality of human capital entails higher rank investment attractiveness of the region. Besides the mentioned transformation creates a real basis to improve the performance of other private

capacities: innovation, production, and if we talk about the active use of PPPs, then institutional and infrastructure.

It is important to understand the concept of "human capital". This state of human capital (skills, knowledge, skills and personal reasons), the requirements of adequate current level of technological development, which is the base for the transition of these requirements to a new state, designed to meet the needs of a high technological level and ensure the selection of the optimal model of personal development (Bychenko, Loginov, 2008).

Principles characterizing the quality of human capital are:

- interdependence of all components of human capital;
- availability of competencies not only now, but also potentially required for development;
- have the skills to adapt and psychological readiness for change, including the risk;
- possession relevant means of communication and skillful use of both personal and professional life;
- availability search skills, collect, filter and classify information and self-development;
- willingness to improve professional skills, vocational reorientation and change of occupation;
- ease of movement and a tendency to significant territorial mobility;
- focus on achieving results;
- sociability and openness to external relations and contacts.

Prepare such personnel in modern Russian conditions is only possible when using PPP -adjusted to the specific areas of cooperation. Only private companies nowadays can provide students with practical information and high-quality technical base for developing the necessary skills for employment in the field (Eremin, 2010). Higher education can be a good platform for meetings of students and technical consultant's practitioners can offer the theoretical foundation for serious research and development, which can then test the private enterprises in a real situation.

However, their internal resources are often insufficient to organize the educational process with the use of modern communications technology and adequate material experimental basis. Joint business projects, opening new educational complexes, preparation of educational programs focused on demanding and fastidious labor market, the development of technology clusters and technology parks, innovative companies - all this provides an environment conducive to the emergence of investment initiatives and mitigate the investment climate in the region.

Competitive advantages of the economy of a territory, the possibility of its balanced development of the industry as a result largely due to accumulated realized and human capital. Specific people with a certain education, qualifications and experience set the limits and possibilities of technological, economic and social growth of the regional economy. Paradoxically, in Russia on human capital as a factor to increase the investment attractiveness of the region paid insignificant attention. The main emphasis is shifted

continuously to refine the innovation infrastructure, to build effective institutions and improving the legislative framework in the field of high technologies. Such "technical" approach to regional development and leveling role of human capital cannot provide the necessary structural changes to the stable development of the Russian economy and the transition to the information society.

References:

Bychenko, Y.G., Loginov, L.V., 2008. Modernization of society and the quality of human capital. Proceedings of the SSU. 8(2): 47-54.

Chaikin, V.L., 2010. Guidelines for the implementation of large-scale public-private partnerships in education. Moscow: MAKS Press. 148 p.

Eremin, V.L., 2010. Public-private partnerships in education. Actual problems of socio-economic development of Russia. 2: 23.

Research "Rating of investment attractiveness of Russian regions in 2012: coming third wave", 2013. RA "Expert": <http://raexpert.ru/ratings/regions/2012>

Russian Statistical Yearbook, 2012. Rosstat. 786 p.

The practice of public-private partnership : Review for November 2012, 2013: <http://naiz.pro/arhive/analitics/rubrics/70/540/>

Vnesheconombank PPP centre portal, 2013: http://www.pppinrussia.ru/main/ppp_in_russia