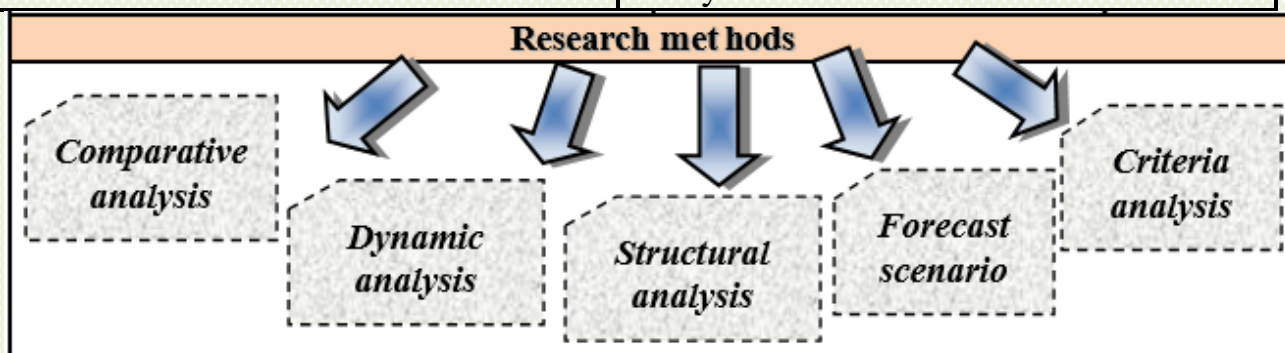


# ECONOMIC RISKS REGULATION OF REGIONAL BUDGETS INNOVATIVE DEVELOPMENT THROUGH BALANCED SCORECARD

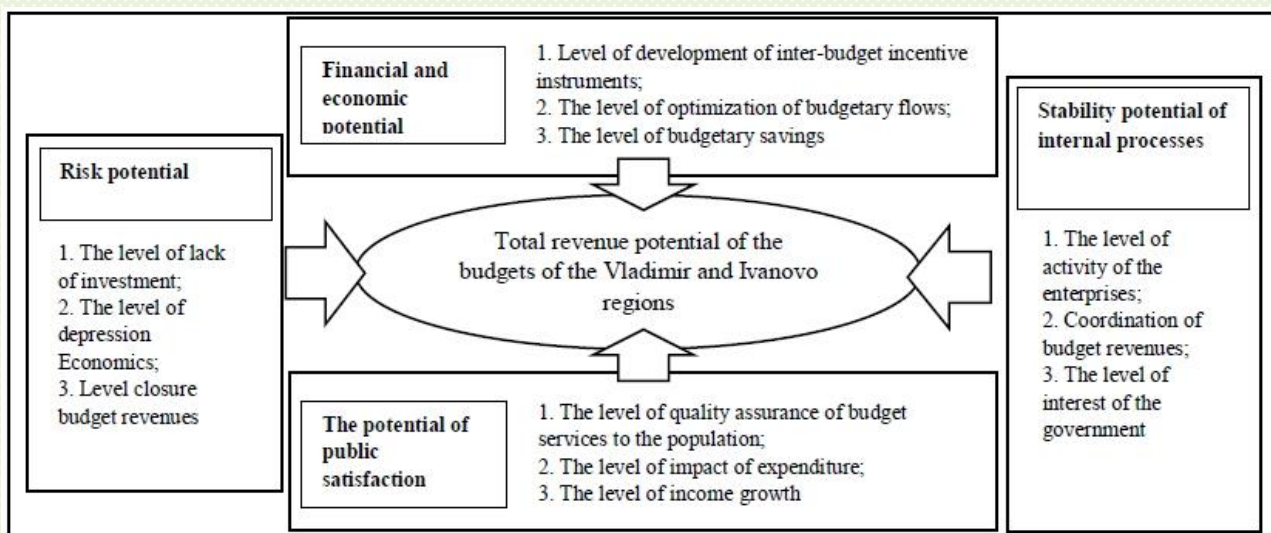
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Introduction	Purpose and objectives
<p>This research deals with the problem of identification and regulation of economic risks of regional budgets innovative development in the Russian Federation.</p> <p><i>The relevance of the problem</i> is based on the need to present an integrated system of economic risks of regional budgets innovative development in order to assess the impact of budgetary process trends on the regional economy.</p>	<p><i>The purpose of the research</i> is to develop a balanced scorecard for evaluating the innovative development of budgets of Vladimir and Ivanovo regions, followed by the formulation of ways to manage economic risks in the system of equalizing the innovation provision of budgets.</p> <p><b>Objectives of the research:</b></p> <ul style="list-style-type: none"> <li>❖ elaboration of generic balanced scorecard for evaluating the innovative development of the budgets of Vladimir and Ivanovo regions, taking into account the system of economic risks;</li> <li>❖ assessment of innovative development of regional budgets on the basis of generic balanced scorecard with the definition of negative consequences of economic risks;</li> <li>❖ elaboration of new methods for managing economic risks of the budgets of Vladimir and Ivanovo regions in the system of equalizing their innovation security</li> </ul>

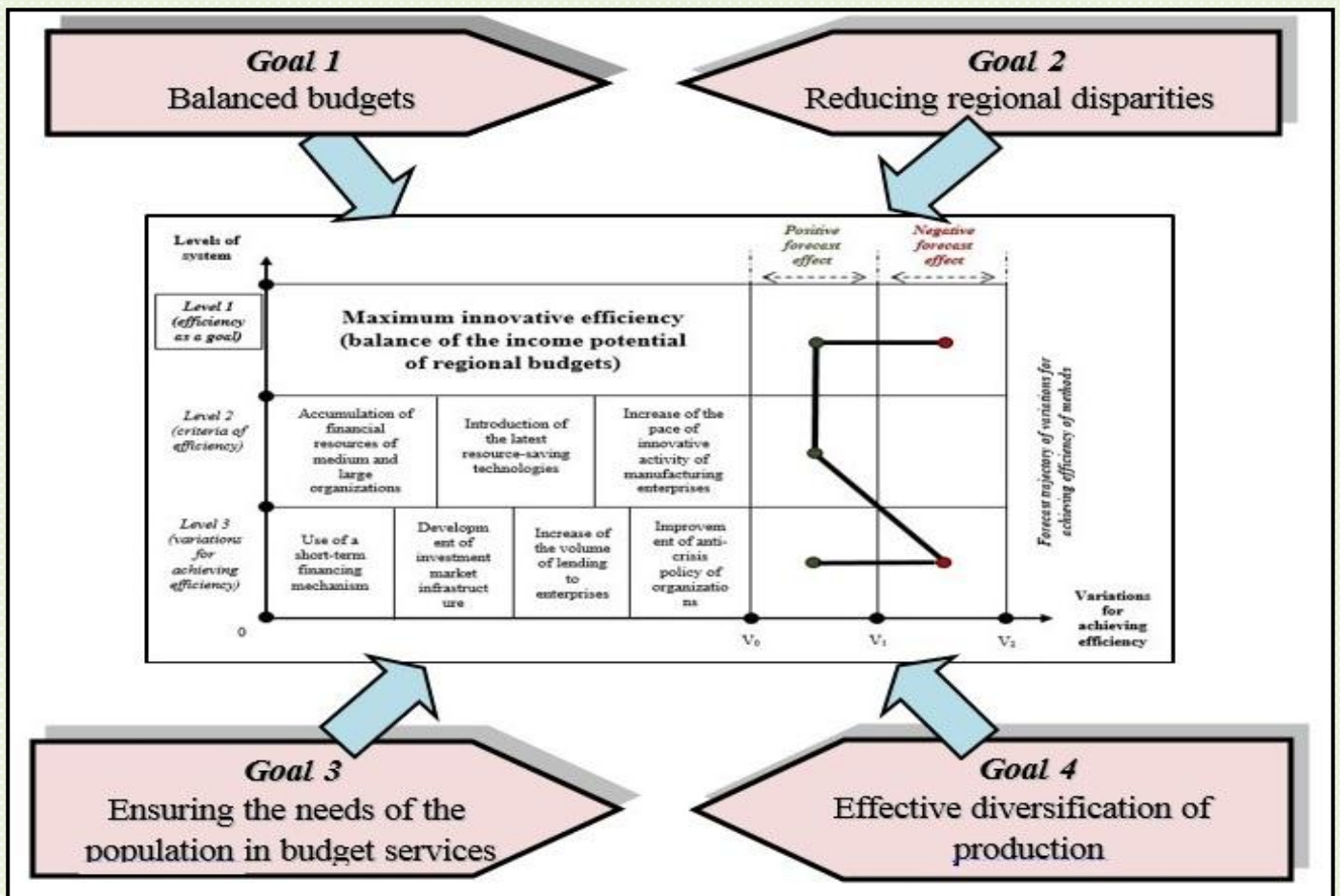


**Table 1. Classification of economic risks of innovative development of regional budgets (author's version)**

<i>Risk group</i>	<i>Type of risk</i>	<i>Specific feature</i>	<i>Possible consequence</i>
<i>Regional investment risks</i>	Creating a negative investment climate for regional budgets	Insufficient financing of innovative projects for the development of regional budgets due to their long-term inability to overcome the budget deficit	Large-scale outflow of investment from the regions, decline in innovative activity of industrial production, degradation of the budget process
	Lack of strategic priorities in the development of investment and innovative potential of the regions	Slow implementation of cost-effective investment programs in the budget process and production activities of enterprises	Low level of development of budget mechanisms by new strategic tools, low level of innovation of manufactured goods
	Sustained deficit of regional investment (unsuitability of the budget process for investment)	Regional financial and management crisis associated with the loss of potential investors in the budget process	Large-scale outflow of investments from the regions, undermining the budget security of territories
<i>Risks of internal inertia of the budget process</i>	The imbalances of the financial (and resource) capabilities of regional budget	Lack of accumulation of financial resources to fill the revenue part of budgets and achieve the goals of budget planning	The inability to fully ensure the innovative activity of industrial enterprises, the immunity of the budget process to new innovative programs
	Self-sufficiency of regional budgets	Insufficient financing of established development institutions and constant (cyclical) redistribution of regional budget funds in favor of low-performing enterprises	Inability to fully ensure the innovation activity of viable production enterprises, degradation of the budget process
	Instability of the budget process in the face of innovative changes in the internal and external environment of regions	Lack of active participants in regional budget transformations that quickly adapt to innovations in regions	Loss of competitiveness of the regional economy at the national level



**Figure 1. Balanced scorecard for evaluating innovative development of budgets of Vladimir and Ivanovo regions**



**Figure 2. Theoretical model for achieving maximum innovative efficiency of the new methods for managing economic risks of consolidated budgets of Vladimir and Ivanovo regions through prospects of balanced scorecard**

<b>Results and conclusion</b>	New methods for managing economic risks in the system of equalizing the budgetary innovative provision of Vladimir and Ivanovo regions are offered. The proposed balanced scorecard and these methods link the goals of budgetary sustainable development and specific features of regional budgetary processes.
<b>Practical significance</b>	Our research will allow us to recreate innovative-industrial clusters in Vladimir and Ivanovo regions and develop a policy for improving regional innovative systems.

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