



Research of Specifics of Management of Regional Development for the Purpose of Observance of Reproduction Proportions

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ABSTRACT

In this article theoretical and methodological approaches to definition of the region essence are developed. The author has studied the integration processes in regional economic system from a position of an assessment and the analysis of meso-economic systems as sets of spatial and organized structures. The contents and concept of stability of the market considering hardships from the modern globalization are also specified. Results of research provide reasoned and evidential proof to the concept of the region as open multicomponent system of the local markets functioning in the uniform industrialist environment formed by the climatic, social and economic, historical and political and other factors typical for any subject of the Federation. Region also is viewed as the participant of integration process that creates organizational and economic prerequisites of a sustainable development of regional social and economic system regarding improvement of management of the local markets, including the market of ecological goods and services.

Keywords: Regional Development, Reproduction, Regional Policy, Sustainable Development

JEL Classifications: G32, O30

1. INTRODUCTION

Nowadays the regional disproportions in social and economic development is peculiar for Russia, it is caused by the considerable sizes of the country's territory, the backwardness of domestic market, inequity of the natural resources' allocation, etc. The solution to the problem of a sustainable development of the country in general is impossible without the thought-over regional policy. In our opinion, a basis of providing a sustainable development of the territory is in achieving functional stability of the regional markets, which are carrying out important functions in the course of the region's reproduction; in turn, development of the local (regional) markets is under the influence of the region's development in general.

In modern conditions the increasing distribution gets the non-material approach reflecting the dominating role of the regional

development concept focused on knowledge and innovations not only in scientific but also in the practical sphere that is noted in many countries.

Thus in modern globalization realities processes of an increment of knowledge within science as social institute and culture in general have not only regional, but not even territorial bindings. In this regard, the main reference point of regional development is realization of the innovative technologies that possess territorial coordinate. Thus, the most important source of innovations is the knowledge representing almost unlimited resource out of territories. The said resource's realization is allowed only at the regional level regardless of the scale of innovations. Therefore, economic entities and administrative structures at the regional level possess such factor by means of which it is possible to overcome limitation of the available production resources. These circumstances have played an

important role at adoption of administrative decisions until recently.

Therefore, the subsequent development of regions provides the need of development and deployment of innovative and information technologies that will allow defining the starting conditions for creating prerequisites of region's social and economic condition improvement and stabilization that as a result will allow increasing quality and a standard of living of their population.

2. MAIN PART

In economic science innovations are realized by means of:

- Input of a new product;
- Input of a new method of production;
- Creations of the new market;
- Development of a new source of delivery of raw materials and semi-finished products;
- Reorganization of structure of management.

These types of innovations are directly formed at the regional level (thus possibility of use in a set of regions isn't excluded) that causes expediency possibility of innovative criteria usage when determining the region and research of the social and economic reproduction mechanism features.

In particular, this circumstance gains relevance and the importance at interrelation of the regional development focused on knowledge and innovations with a modern form of the competition that testifies that the most competitive regions are capable to attract an escalating share of the domestic and foreign market that allows coordinating innovations and business in spatial aspect.

Therefore, the realization of regional innovative policy is enabled according to the following principles: Unity of scientific and educational processes and their orientations on economic, social and spiritual development of society. There are also: Optimal combination of state regulation and self-governing, concentration of resources on the priority research's directions, carrying out a full cycle of the researches and development, which are ending with creation of finished goods. Variety of the organization forms, providing the competition conditions within formation of innovative programs, and support of business in the scientific and technical sphere.

Thus the purposes of the region's innovative policy on creating the necessary conditions for correlating the regional structure of the "research production" cumulative cycle with optimal value by means of which it is possible to define effect from use of educational, scientific, technical and innovative potentials for development of economy and the solution of social and economic tasks.

Within this purpose it is necessary to solve the following main objectives:

- To integrally combine basic, basic and applied researches with competitive development of commercial character;

- To improve system of planning and financing of scientific, scientific and technical and innovative activity of the subordinated organizations;
 - To create conditions for legitimate and other support of the innovative enterprises and scientific organizations;
 - To support development in the sphere of high technologies that will allow to make goods and services on their basis, and also to plan the directions for an exit to domestic and foreign markets, expansions of the international integration in this area, creations of conditions for attraction of foreign investments; to create conditions for preparation and retraining of personnel in the field of innovations and scientific and technical business that will increase innovative activity, commercialization of results of scientific researches;
 - To develop the legal base governing legal relations in the course of creation of objects of industrial property and copyright (intellectual property), their legal protection and introduction to economic circulation by means of balance of the rights and legitimate interests of these subjects, including carrying out inventory of the results of scientific and technical activity received in the course of an application of funds of the federal budget;
 - To attract additional extra budgetary financial means.
- Generalizing aspects of the theoretical analysis, which is carried out above, it is necessary to draw a conclusion that formation of the concept "region" is based on a number of factors and criteria taking into account their features:
- Territorial and geographical indicators, including location, the sizes and features of the territory, number of the population;
 - The production and functional characteristics reflecting the directions and features of the prevailing productions and kinds of activity of the population;
 - The town-planning lines which are shown in nature of building of objects of production appointment, housing, infrastructure;
 - The social indicators including norms of communication, behavior, cohabitation of the population.

In this regard, it is advisable to consider the region from a position of three components: As organic element of the territorial organization of national economy, as element of moving a system and as element of the social organization of the society reflecting set of spheres of life support and activity of the person, norms and rules.

Speaking about the region as social and economic system which unity is provided with activity of people, it is necessary to pay attention to the most essential – the interrelation of types and structure of production and the income. Thus, development of the region is influenced by a number of tendencies of its subsystems predetermining functioning of three main groups of factors – economic, natural and demographic.

By means of applying the data of region's social and economic development analysis, it is possible to define:

- The general level of production development;
- Estimation of natural resources potential;
- Definition of environment's state;

- Estimation of social and economic development level, taking into account the happening demographic and migratory processes;
- Researches of problems of use of a manpower, movings of the population, level and quality of life;
- Estimations of the reached level of economic development of the region, including the industry, agriculture, infrastructure, territorial structure of economy; determination of potential of interregional and foreign economic relations; estimations of a financial position.

We offered the classification of regions based on resources dominants (innovative and production, financial, ecological and biological, scientific and technical) reflecting specialization of the concrete region (Table 1) within which five groups are allocated and characterized.

The region investor represents the region having considerable volumes of resources for the purpose of implementation of productions and ensuring expanded reproduction at the expense of free money not only in the territory but also in the territory of other regions for obtaining the additional income.

The target region is qualified by the high values on all main indicators of development due to fast increase in production, and the high level of economy development that is positively reflected in quality of life, improvement of a demographic situation. However, such activity has negative impact on an ecological situation.

The sponsor region (donor) is understood as the region, which is rendering assistance in development of underdeveloped (depressive) regions by means of allocation of grants and subsidies, not pursuing the purpose receiving an economic benefit. Indicators of a socio-ecologic-economic sustainable development of this type of regions are stable; the variable-rate premium level is rather high that testifies to positive dynamics of the production having essential impact on quality of life of the population.

The eco region (bioregion) has unique climatic resources in the territory, which houses the insignificant number of the industrial enterprises generating harmful substances. This type of the region is characterized by optimal values of indicators of a state of environment that is followed by processes' aim on protection and improvement of human health by means of an integrated approach to planning and rational use of resources of the region.

Techno-region differs in high degree of concentration in his territory of scientific, research and educational institutions which activity is directed on development of methods and technologies of improving the innovative, technological and production processes. This type of region is characterized by the presence of high-tech production, taking into account all the requirements of sustainable development of territories in the future.

The region depressant is the region which is lagging behind in the social and economic development in all indicators and not capable independently to get out of the crisis. Negative dynamics on the main groups of indicators are observed.

The offered classification allows defining a role and a place of the concrete region in national economy more accurately, as well as the extent of its interaction with other subjects of federation, and participants of world economic system.

Regional economic systems transition to a market economy has led to the emergence of their new functions economically independent market entities, among which should be highlighted:

- Coordinating and lobbying the regional goals, objectives and interests, both within the country and abroad;
- The strengthening and maintenance of the regional competitive position by means of scientific studies of various aspects of attracting investors to the territory and ensuring the effective transformation of the economic structure;
- Creating conditions that encourage the development of regional small and medium enterprises in the region;
- Stabilization and ensuring the expansion of production capacity use of state and municipal property;
- Development of the system of privileges and guarantees in the region to enhance the effectiveness of the business, commercial, innovative structures;
- Promoting and strengthening region's foreign economic relations.

Implementation of selected functions promotes the formation of an effective social, economic and regulatory environment aimed at the observance of the established procedure of granting tariff preferences and encourage the business sector, effective institutional support for food, social, economic and environmental security, which determines the competitiveness of the region.

In addition, currently the main focus of competition between regions of the Russian Federation are implemented state programs and projects containing the order form and parameters of the placement and the territorial organization of the economy, aimed at solving social problems. With the continuous lack of resources, participation and subsequent victory in the implementation of these programs and projects can claim only the regions with the highest level of competitiveness.

In this case, a strong competitive advantage and positions are essential conditions for sustainable development of regional economy. In the context of contemporary globalization comes increased competition in the key areas of interaction, which significantly increases the relevance of the formation and development of economic systems that improve competitive advantage.

Currently, however, the competitiveness of domestic goods and services is low, which makes them small amounts in the structure of international trade. In this process of globalization, together with national, have a significant impact on the economy of the regions, identifying the growing number of participants and the complexity of the relationship links between them.

The principle of economic independence of the country's regions determines the need and presence of the material adjustment to

Table 1: Classification of the regions

Nomination	Investor region	Donor region	Depressed region	Bioregion	Techno region
General characteristic	Possesses significant resources for the production and reproduction processes at the expense of free funds, not only on its territory, but also in other regions in order to generate additional income	Assists in the development of underdeveloped (depressed) regions through the provision of grants and subsidies, does not pursue the purpose of material gain	Is slow in its socio-economic development for all indicators and is not able to solve their own problems independently	Possesses unique natural and climatic resources in the territory of which there are practically no industrial plants emitting harmful substances into the atmosphere and whose motto is to preserve and improve the environment	Possesses a high degree of concentration of scientific, research and educational institutions, which are aimed at the development of methods and technologies improve the technology, innovation, and other processes
Resource type	Innovative	Financial	Ecological and biological	Scientific and technical	
Potential rating indicators	<ol style="list-style-type: none"> (1) The proportion of investment in fixed assets in GRP; (2) The share of public investments in the GRP, which reflects the stable social and economic development; (3) Investment indicators that reflect the level of socio-economic development of the region as a whole and its ability to help other regions; (4) The main socio-economic indicators, and others 	<ol style="list-style-type: none"> (1) The ratio of the rate of growth of GDP and GRP; (2) The number of the economically active population employed in the economy and the unemployed; (3) The proportion of the volume of fuel and energy complex; (4) The main socio-economic indicators; (5) Socio-economic indicators of quality of life 	<ol style="list-style-type: none"> (1) Consumer price indices and average consumer prices for goods and services; (2) Demographic indicators; (3) Socio-economic indicators of living standards; (4) GDP and GRP; (5) The balance of incomes and expenditures of the population; (6) The average per capita income; (7) Indicators of labor (wages, social security, etc.); (8) The main socio-economic indicators; (9) Socio-economic indicators of quality of life 	<ol style="list-style-type: none"> (1) Indicators characterizing impact of economic activities on the environment: Emissions, etc.; (2) Investments in fixed assets, including environmental protection and rational use of natural resources; (3) Commissioning of capacities for the protection of water and air pollution; (4) Special costs associated with environmental innovation; (5) The proportion of organizations engaged in innovation, providing better environmental safety in the production of goods, works and services; (6) Climatic resources' indicators 	<ol style="list-style-type: none"> (1) The number of organizations engaged in research and development; (2) The number of employees engaged in research and development; (3) Indicators of the research training; (4) Innovation indicators; (5) Financing of science from various sources; (6) The special costs associated with environmental innovation; (7) The number of established (developed) advanced production technologies; (8) The share of organizations engaged in technological, organizational and marketing innovation; (9) The proportion of organizations engaged in innovation, providing better environmental safety in the production of goods, works and services; (10) The number of educational institutions of higher education

GDP: Gross domestic product, GRP: Gross regional product

their financial and economic development. It is so because the durability, stability and balance of the regional economy are directly dependent on the presence of a given territory of the social-economic, scientific-technical and personnel potential, causing the investment attractiveness of the region for the deployment of new and reconstruction of existing facilities, creating additional workplaces.

The concentration of capital in a particular region is no longer determined centrally adopted industry regulations and are fully dependent on the competitive position and opportunities of the region, on the efficiency of the management in determining the prospects of their capacity. The scope of the refractive index of the enterprise capital is where feasible and economically justified to place competitive production and create profitable businesses. To this end, each region needs to assess their own competitive position and opportunities for the involvement of the region in

the implementation of targeted programs of placement and the territorial organization of the productive forces.

In this connection, taking place in the system of regional economic integration process should be considered from the perspective of evaluating and analyzing the success of the economic systems of the region, the operation of which determines the need to achieve the objective of sustainable and balanced development of regional economy, increasing its competitiveness (Zakharova et al., 2015).

We'll agree with the position of the researcher, that "... the competitiveness of the regional level cannot be considered without assessing the availability and efficient use of various types of infrastructure" - from production to market. It is a complete infrastructural security of the region that means that the potential of the region could turn into its true competitive possibilities, and then be implemented in the region's competitive advantages over

other regions. The institutional component of the competitiveness of the region is becoming a major factor in streamlining relations between economic entities of the region and the effective use of the main components of competitiveness.

On this basis, perhaps the more detailed definition of the regional economic system competitiveness is required. Such a determination, in particular (Dyachenko, 1999), is based on a systematic analysis of a variety of known theoretical and institutional features of the competitiveness of their elements (objects, entities, properties, areas, conditions and others). Then the composition of the integral elements in the synthetic generalization of the concept of competitiveness of entities or regional economies. The competitiveness of economies is presented as a ratio of commodity production and market comparisons of utility costs and benefits of their (economic system) goods and services among peers, substitutes (substitutes) and substitutes sold in a particular market in conditions of free competition and the lack of protection (Novoselov, 2009).

Such an approach should highlight aspects aimed at the formation and deepening of research methodology competitiveness of the region as an economic category:

- Competitiveness of the regional socio-economic system is closely linked to the relationship in the process of commodity production; therefore, it is appropriate to consider it as the main result of industrial activity in the region;
- On the basis of a comparison of the competing options of commodity production, the degree of its usefulness, the size of the cost, the profit dynamics regions that are most effectively and efficiently use the limited resources are being identified that determines their leading position in the relevant market of goods and (or) services.

In the study of various aspects of the competitiveness of the Russian regions, the question of a free competition without protectionism immerses, since protection from the state in the form of inter-regional reallocation of funds should be assessed as part of the regional policy. In the case where there the state provides individual regions with the number of advantages, without adequate feasibility studies, there is the complication of inter-regional relations, unattainable goals, formed extremely unfavorable for the realization of market relations background.

Thus, we agree to the position of the researcher, on "... the competitiveness of the region as an economic process is a set of complex and contradictory relationships that are affected by many diverse conditions, both objective and subjective:"

- Factor conditions of production (supply of the region natural resources, skilled personnel, advanced material and market infrastructure);
- General economic conditions (development of branches of material production, environmental security, the degree of depreciation of fixed assets, etc.);
- Factors of demand for the products of basic industries in the region;
- Social, socio-cultural, organizational, legal, political, factor conditions, and others.

The impact on the competitiveness of the region has both the general economic situation in the country, as well as the specifics of individual industries, complexes located on the territory of the region.

In this case, the stability of the region's competitive position is directly dependent on the socio-economic, scientific-technical and personnel potential. It turns out that if the competitive position has signs of reliability and stability, it determines competitive advantage, providing the region win the competition in the relevant competitive field (trade, financial, investment, etc.).

Therefore, the competitiveness of the region is formed to enhance the positive state of the phenomenon through the development and the development of competitive capacity and the formation of an adequate this potential economic order in the territory, taking into account the implementation of capacity development of institutional support for regional processes (Novoselov, 2009; Karepova et al., 2015).

Thus, starting from the principle of using the thesis that modern Russia is characterized by regional disparities in socio-economic development due to spatial, natural-geographic and resource differences, economic, socio-cultural, specific historical, political and ethnic factors, as well as insufficient level of development of the internal market and addressing sustainable development is impossible without a balanced regional policy scientifically verified. According to the author, the importance of the development of local markets to strengthen the regional economic system is the most important criterion for its sustainable development.

To summarize, it should be noted that throughout the XX century the regional economic development paradigm was formed and developed, characterized by a wide variety of approaches to the concept of "region," which requires its refinement and additions. From the perspective of economic geography, the region is presented as part of the territorial organization of society, reflecting the individual characteristics that distinguish a particular area of the other, a variety of regional elements that characterize the territory from the perspective of a systematic approach (Karepova et al., 2015).

From the perspective of the institutional approach, the concept of "region" is considered as the minimal-necessary area, endowed with powers of planning and programming of their own development. It depends on the availability of appropriate economic and social object, with respect to which the applicable regulatory measures are used, and the presence of scale territory demonstrates the need for the creation of a special power-management instance, which have power of coordination process to identify development priorities.

In terms of the theory of regional economy of the region is represented by a set of natural resources and population, production and consumption of goods, services. At the same time, it is considered inadequate as the subjective side of the support of special economic interest.

Thus, the domestic experience shows that the basis of theoretical and applied aspects of the development of regional markets has traditionally been a theory of reproduction. In the framework of the present study, reproductive processes at the regional (local) level, have value, manifested in the form of organization of production within the same territory. Which also carries out the processes of distribution, exchange and consumption, in which there is continuous gradual transformation passing resources of various kinds, which ultimately will lead to meeting the needs of economic agents and the population of the region at the expense of the sustainability of economic development.

3. CONCLUDING REMARKS

In the period of globalization processes the increasingly intense competition in the key areas of interaction is monitored, it indicates the actualization of the formation and development of economic systems, which are aimed at increasing competitive advantage (Zakharova et al., 2015; Novoselov and Novoselov, 2015; Novoselov and Novoselov, 2015; Novikov et al., 2015; Klochko and Novikov, 2013; Klochko, 2012). It should be noted that the competitiveness of Russian goods and services is low, as evidenced by their minor amounts in the structure of international trade. However, globalization has an impact not only on the national economy, but also affects the economy of the regions, thereby determining the increase in the number of participants and complicating the relationship links between them. Thus, the characteristic of the regional economy integration processes include evaluating and analyzing the success of socio-economic systems of the region, the functioning of which is aimed at achieving vector sustainable and balanced development of the regional economy by increasing its competitiveness.

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