

STRUCTURAL ELEMENTS OF REGIONAL ECONOMY BALANCED DEVELOPMENT IN DEPRESSIVE REPUBLICS OF THE NORTH CAUCASUS

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ABSTRACT

The article describes the problems of the regional social and economic development, the structural elements of regional economy balanced development are analyzed, the basic provisions of the North Caucasus depressive republics social and economic stability are singled out.

Keywords: sustainability concept, regional economy, depressed regions, social-economic situation, balanced development

STATEMENT OF THE PROBLEM AND ITS RELATION TO IMPORTANT SCIENTIFIC AND PRACTICAL TASKS.

In recent years Russian Federation pays much attention to the problems of regional economic system functioning, the development of population life level and quality, a sustainable balanced development of the depressed republics of the North Caucasus. However, at the same time, there is not a single document regulating the strategic social-economic transformations of mountain regions. Even in the Resolution of the Russian Federation Government No. 598 issued on 15.07.2013 No. (edited on January 16, 2015) "On the Federal Target Program "The sustainable development of rural territories during 2014 - 2017 and for the period until 2020" does not mention anything about rural settlements of mountain territories [8].

Moreover, the definition of the concept "mountain territory" as an object of social-economic research and management is not used almost in the works of researchers, although in real life such territories exist and separate peoples live on them, economic and other activities of specific character are carried out as a rule. Thus, they need special research and the development of a special management mechanism.

The conditions and specificity of life activity in the mountainous territories of the North Caucasus Federal District republics show that they are socially unprotected not only within the regulatory and legal level, but even within the conceptual one (According to the calculations, made on the materials of geographical atlases of the North Caucasus in the Republic of North Ossetia-Alania, the mountains account for more than half of its entire area, an even larger part of the area is occupied by mountains in Kabardino-Balkaria and Karachaevo-Cherkessia, and in Dagestan mountains occupy 48 thousand square kilometers out of 50.3 thousand square kilometers (the whole territory of the Republic), i.e. over 95%). The residents of mountainous areas need not only episodic social protection, but the systemic national policy of social and

economic development due to the ethnic-historical and natural-geographic features of their existence.

The interest in the problem is also conditioned by the need to determine the requirements for social-economic policy, the lack of systematic knowledge about the formation and development of industrial, social and institutional infrastructure of mountain areas within an increasing competition, the need for restoration and a balanced development of agriculture, which is the main industry of the North Caucasus depressed republics.

ANALYSIS OF RECENT PUBLICATIONS ON THE ISSUE.

In the course of the work analysis from foreign and domestic scholars, we found that the methodology which studies the problems concerning the creation of mechanisms and tools for the balanced development of regional economic systems is of a dual nature. On the one hand, the problem under consideration is relevant indeed. It is of great interest both to foreign researchers (G. Borts, P. Drucker, R. Solow, K. Freeman, et al., and Russian (S.S. Artobolevsky, A.G. Granberg, O.V. Inshakov, N.P. Ketova, V.M. Masakov, A.N. Shvetsov et al.).

At the same time, there are many questions concerning the theoretical and methodological basis of sustainable balanced regional development issues in published modern scientific research, especially the ones associated with the strategic management mechanism of depressive mountain territories sustainable development.

Until now, there are practically no complex monographic and dissertational studies devoted to the solution of balanced development issue concerning a territorial economic complex of mountain territories. There are only separate articles in which scattered judgments and materials are presented that deal with certain aspects of the problem (Belousov S.A., Herter I.K., Misakov V.S., Pavlov A.Yu., Uyanaev B.B.).

It is impossible to study the problems and determinants of the depressed North Caucasian mountainous territories social-economic development without the creation of a system with the rational combination of economic entity sectoral and territorial development in these territories, taking into account their regional conditions (social, economic, natural, climatic, historical ones, etc.).

THE PURPOSE OF THE STUDY

is to study the mechanism of market instrument development management concerning the stable development of the depressed republics of the North Caucasus, the development of methodological approaches to improve the balance of regional economy by mobilizing the economic and resource potential of depressed areas, and analyzing the specific principles for the creation of regional social and economic policies in respect of the national republics of the North Caucasus.

MAIN RESULTS OF THE STUDY

The specifics of Russian economy transformation in the conditions of a spatial organization creates the multidirectional effects of the development mechanism, which manifests itself in the growth of social and economic disproportions within an integral territorial space. Classical and everyday ways of social-economic development management in the regions under conditions of structural transformation have become ineffective, which calls for the development of new market instruments, primarily those related to the achievement of a balanced regional economic system [1, 5, 10].

The economic space of Russian Federation that developed in new conditions can't be called an absolutely single one anymore, because this unity is violated in the case of an acute social-economic differentiation of territories by the type center-periphery. The break of social-economic development has a stable tendency to increase in recent years. This has caused depressiveness in dozens of Russian Federation subjects. Nowadays a similar phenomenon has become an isolated factor that hinders the increase of gross domestic product production, both at the regional and at the macro level. Besides, the rates of economic

growth are also adversely affected in the long term. There are publications where they note that an excessive economic differentiation of Russian Federation regions causes damage to the country within 3% of the gross domestic product per year [9].

Today it is clear that the problem of economic process balance and stability, the self-sufficiency of the resource base, which requires both theoretical and practical efforts, is especially acute for Russian Federation in terms of Western countries and the United States sanctions.

At the same time, it seems that the state is not in a hurry to achieve economically homogeneous development of its regions, because it adheres firmly still to the universal approach regarding Russian Federation regions. That is, the territorial integrity of the country is based on the mass subsidy of its regions, except of a few individual entities that have strong support within the FTP in connection with internal political peculiarities and geopolitical circumstances (in particular, the Chechen Republic, the Kaliningrad region, the Kuril Islands). In these conditions, the need for the development of real instruments to implement a selective economic approach to the subjects that allow them to have opportunities to approach leaders is particularly acute one. The analysis of specific literature shows that the 2-fold gap in the values of the considered parameters under (per capita GRP, wages, etc.) is a critical one [7].

The NCFD is one of the most promising RF federal districts. It is distinguished by an exceptional wealth of natural and climatic resources, the presence of a huge cultural and spiritual heritage of many peoples and generations, which makes it rather promising in social-economic development [2, 6].

The NCFD is of great geopolitical importance, determined, first of all, by its geographical location. The main transport routes of "north-south" and "west-east" passed along the North Caucasus for centuries. Non-freezing Black Sea ports of Russian Federation have always been and are the strategic points of significant cargo flow transfer. The republics of the NCFD have a significant resource and raw material base. They have large deposits of oil, natural gas, coal, building materials, etc. According to the special literature the Caspian basin is the third largest producer of energy resources in the world on oil reserves after the Middle East and Siberia. It is also necessary to note that there are large oil reserves in the Republic of Ingushetia and the Chechen Republic.

Industrially significant deposits of non-ferrous and rare metals are concentrated in the republics, for example, there are large reserves of tungsten and molybdenum in the Kabardino-Balkaria Republic (Tyrnyauzskoye deposit), Karachaevo-Cherkessia (Ktiberberdinskoye deposit), lead-zinc ores and mercury in North Ossetia-Alania (Sadonskoye deposit), the deposits of copper in the Karachay-Cherkess Republic and the Republic of Dagestan (Kizil-Dere deposit). There are also significant reserves of nonmetallic minerals - barite, sulfur and rock salt - in the largest RF deposit represented by the lakes of Elton and Baskunchak.

The leading industrial regions are Stavropol and RNO-Alania and the Republic of Dagestan - they account for more than 70% of the industrial production of the district. At the same time, the real sector of NCFD economy develops rather poorly: the share of the agro-industrial sector in the gross regional product is slightly more than 22% (5% in Russian Federation); the share of manufacturing products is in the range of 15% (20% in Russian Federation). The largest contribution to the gross regional product comes from the government and social sector (55% and 16% in Russia for comparison).

The social-economic development of NCFD regions took place within the positive trends in 2010-2015 (Tables 1 and 2), in particular,

- the growth of the most important indicators of economic and social development was noted in all republics;

- the reduction of inter-regional differentiation in terms of economic and social development;
- a significant reduction of interregional differences in the growth of consumer prices;
- the commodity market expanded on the territories of Russian Federation.

Table 1 - Main social-economic indicators of Russian Federation and NCFD

	Territory area ¹⁾ , thous. km ²	Population amount by 01.01.2014 r., thous. of men	Average amount of employed in economy, thous. of men	Average monthly salary per capita, rub.	Average consumer expenses per capita (in a month), rub.	Average nominal payed salary of employees, rub.	GRP in 2012, mln. rub.	Current assets in economy, mln. rub.
Russian Federation	17098,2	143666,9	67901,0	25928	19075	29792	49919959	133521531
North-Caucasian Federal district	170,4	9590,1	3423,3	18900	14162	19359	1214729	3272961
The Republic of Dagestan	50,3	2963,9	995,2	21717	16986	16835	377975	985711
The Republic of Ingushetia	3,6	453,0	72,7	13821	4877	20151	36888	65741
Kabardino-Balkaria Republic	12,5	858,4	307,0	15297	11194	18624	105992	217265
Karachay-Cherkess Republic	14,3	469,9	171,7	14664	8348	17858	59513	158477
Republic of North Ossetia-Alania	8,0	704,0	298,9	17788	13014	18664	99715	197435
Chechen Republic	15,6	1346,4	342,4	17188	8775	20865	103677	404275
Stavropol region	66,2	2794,5	1235,4	19768	17421	20667	430969	1244057

Source: Regions of Russia. Social-economic indicators. 2014

Table 2 - The specific weight of NCFD subjects in all-Russian main social-economic indicators, 2015 (in percent)

	Territory area	Population amount by 01.01.2016	Average amount of employed in economy	GRP in 2015	Current assets in economy	The volume of shipped goods of own production, performed works and services by own means according to the types of economic activity		
						Extraction of minerals	Processing industries	Gas, electricity and water production and distribution

Russian Federation	100	100	100	100	100	100	100	100
North-Caucasian Federal district	1,0	6,7	5,0	2,4	2,4	0,21	1,08	2,47
The Republic of Dagestan	0,3	2,1	1,5	0,7	0,7	0,03	0,11	0,31
The Republic of Ingushetia	0,02	0,3	0,1	0,1	0,1	0,01	0,01	0,03
Kabardino-Balkaria Republic	0,1	0,6	0,5	0,2	0,2	0,00	0,09	0,16
Karachay-Cherkess Republic	0,1	0,3	0,3	0,1	0,1	0,02	0,14	0,14
Republic of North Ossetia-Alania	0,05	0,5	0,4	0,2	0,1	0,00	0,06	0,16
Chechen Republic	0,1	0,9	0,5	0,2	0,3	0,05	0,02	0,22
Stavropol region	0,4	1,9	1,8	0,9	0,9	0,09	0,65	1,45

Source: Regions of Russia. Social-economic indicators. 2015

However, it was not possible to solve many social and economic problems of balanced regional development, especially in the republics of the NCFD [4, 5, 10]. In particular, there was a sharp distinction between regions everywhere in terms of GRP indicators and per capita income, the volume of investment in fixed assets; and on budgetary security. There was also a low activity at the regional level during the implementation of structural and institutional changes in the regional economic system, and other factors, which increased the differentiation of the republics [3, 4].

It should be noted that in the republics of the North Caucasus, especially in the mountainous territories, the lack and unprofessional nature of coordinated strategic management for the balanced development of the regions is rather painful. The peculiarity of these republics is the low importance of social-economic factors and prerequisites that develop their opportunities to reach a balanced development trajectory. This is related to the fact that the main problems of social-economic development during the transition period exacerbated negative social-economic, demographic and psychological consequences, especially in rural areas, and led to the extinction of rural settlements.

All this makes it possible to assert that the balance needs to be studied as the strategic goal of the region development management effectiveness, and not as a concrete end result. With this approach, the vector of economy balanced development provision presupposes the development of a regional reproduction spatial organization capable of making all territorial entities of the republic and their population accessible to the sources of social and economic development.

At the same time, the development of such a strategy should be based on the principles that allow to ensure the creation of institutional prerequisites to coordinate multidirectional interests and guidelines for the balanced development of all subjects of the regional economic system.

A necessary condition for a continuous balanced development of the region is the need to study its economic potential. Moreover, the analysis and the assessment of economic potential parameters should be an initial stage during the selection of territorial economy formation and functioning vector within the region.

The share of the agro-industrial complex and the tourist-recreational complex prevails in the GRP of the North Caucasus republics, as a rule, which requires a special observance of the special proportionality concerning the development of basic industries and segments of the regional economic system in order to reduce intraregional structural asymmetry. It is possible to achieve the increase in the economic potential

of the republic only through this approach, first and foremost, through the development of integration processes and the optimal use of domestic competitive advantages on the basis of intraregional interaction of economic entities increase.

There are many definitions of sustainable development, which can be reduced to the following - the provision of high-quality economic growth and social development in the context of environmental management. The latter implies the balance of consumption and the reproduction of natural resources, both in modern conditions and for descendants. Given the uncertainty of the priority directions for the creation of balanced development, an important role is played by the institutional environment, which implies the interconnection and the coherence of social-economic and environmental problems of social development [3, 7, 9].

3 trends of stability modern concept are considered in special literature: strict stability, weak stability and critical stability.

The first trend is characterized by tough environmental sustainability. Its difference from traditional approaches is that the factors that go beyond the process of private goods consumption raise welfare and are vitally necessary. At the same time, the focus is on the quality of the environment and the associated maintenance of natural and climatic resource possibilities for renewal.

Also an important role is played by geopolitical and social factors which ensure the welfare of life. In accordance with this approach, the property of society is divided and reflected in different sectors. At that a sustainable development requires that after any period of time, none of these sectors deteriorates. It is well known that humanity can not compensate any reduction of natural resources by any increase in the capital created by it. Apparently, this approach does not allow us to formulate a selection criterion from different development options, because it does not allow the deterioration of a situation in any of the sectors by any of the stability indicators at any time.

The second approach allows us to combine the segments of the classical growth theory and the concept of strict stability. At the same time, unlike the concept of strict sustainability, this concept proceeds from the unity of welfare concept (it includes both economic and environmental values). It should be noted that the consumption and the quality of the environment have a direct impact on welfare as interchangeable benefits.

The third approach occupies an intermediate position between the approaches discussed above. This concept is somewhat similar to the marginal utility theory, where the social welfare function to be maximized is considered as a utility function of an individual making decisions with a negative risk appetite.

The analysis of the considered approaches to the determination of this concept makes it possible to interpret regional sustainability in the form of a balanced social-eco-economic and institutional development aimed at regional potential increase and the satisfaction of needs. Such an approach makes it possible to single out the basic provisions of the region social and economic stability:

- a balanced development of economy, nature and man;
- the solution of human needs satisfaction issue not only at the current moment, but also taking into account the prospects;
- ecologically acceptable economic activity;
- the allocation of an institutional aspect in a sustainable development.

There is the concept of territory economic self-sufficiency. It means the possibility of resource base optimal structure achievement in the process of its social and economic activity, which allows any region to realize its functional responsibilities to a state, enterprises and population timely and adequately, and also to create new competitive advantages that ensure its sustainability in the future.

A number of works considers the notion of subsidized nature to study the processes of budget development [7, 9]. Another group of scholars suggests to consider the financial independence of the territory to disclose economic relations between a state and a region [3, 10].

So, for example, the monograph written by Academician A.G. Granberg cites "the indicator of the overall financial and economic independence of the region" [9]. It is calculated in the following way:

$$K_{\Phi C} \frac{(\mathcal{D}_H + \Pi)}{(P_B - B_{CD})}$$

where: $K_{\Phi C}$ - the level of financial and economic independence;

\mathcal{D}_H - the general size of population monetary incomes;

Π – the profit of enterprises

P_B – the total amount of regional budget expenditures;

B_{CD} - own revenues of the regional budget (including all tax and non-tax payments left in a region).

In general, recognizing the importance of such an indicator for the analysis, it should be noted that it does not allow to get a full picture of regional independence at the same time...

Work [9] advises to perform the analysis of the regional financial independence according to tax and budget independence, as well as in the field of tariff regulation and pricing policy.

Methodically, the analysis of the territory financial autonomy in their tax or budgetary terms can be carried out by establishing the share of tax revenues in a budget, with respect to different volumes of revenue receipts, or the total amount of tax exemptions from regional enterprises.

CONCLUSIONS AND PROSPECTS FOR FURTHER STUDIES

All of the foregoing allows us to conclude that a sustainable balanced development of the region is the development that is achieved through an effective use of the territory competitive advantages through a constant provision of prerequisites for the dynamic reproduction of the territory potential. The achievement of a balance within the implementation of the national policy should be based on the phased implementation of measures to identify and eliminate economic asymmetries between territories.

It was determined that the transition of depressive republics to an innovative type of territory development is hampered by the underdevelopment of the applied economic mechanisms stimulating the innovative activity of agro-industrial production, the absence of a mechanism for an effective interaction of business, science and government structures, which determines the inertial scenario of economic development in these regions and contributes to the transfer of investment funds to other points of economic growth.

It is substantiated that the necessary condition for a continuous balanced development of the region is the need to study its economic potential. Moreover, the analysis and the assessment of economic potential parameters should be an initial step for the selection of formation and functioning vector of a depressed region territorial economy.

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