

TIES 2020**International conference «Trends and innovations in economic studies»****SOCIO-ECONOMIC DEVELOPMENT WITHIN THE
FRAMEWORK OF INCREASING EFFICIENCY OF REGIONAL
MANAGEMENT**

Anna I. V Elistratova (a)*, Nadejda D. Volkanova (b), Oksana A. Alekseeva (c), Sievil E.
Dzhaferova (d)

*Corresponding author

(a) Sevastopol Institute of Economics and Humanities (branch) Crimean Federal University named after V.I. Vernadsky”, Sevastopol, Russia, polovinka_anet@mail.ru

(b) Sevastopol Institute of Economics and Humanities (branch) of the Crimean Federal University, named after V.I. Vernadsky”, Sevastopol, Russia, nadezhda_volkanova@mail.ru

(c) North Caucasus Federal University, Stavropol, Russia, ok_aleks_science_ncfu@mail.ru

(d) Crimean Engineering and Pedagogical University named after Fevzi Yakubov, Simferopol, Russia, sevilstar@mail.ru

Abstract

The article substantiates the study covering the socio-economic aspect concerning the development of the state as a whole and its individual regions. The study justifies the need to consider various approaches to determining the essence of social policy. This happens due to the fact that social policy is the most important sphere of interests of modern society and the most important part of the activity of the modern state. The essence of the socio-economic development of individual regions implies carrying out the necessary changes aimed at developing the existing economic and social potentials with the objective to ensure a high level of well-being and quality of life of the population. An effective socio-economic policy is based on interethnic, state and regional interests and is implemented through the solution of specific problems existing in the regions on the basis of an integrated and rational use of all resources. This study uses the socio-economic statistics of the federal districts of Russia. The analysis of the socio-economic development of the regions enables to identify “weak” and “strong” regions. In addition, the authors of the article compiled a rating assessment of the socio-economic development of the regions of the Russian Federation according to the main indicators. Based on the results of the study, conclusions are summarized and recommendations are presented with the aim to increase the importance of socio-economic indicators to ensure the sustainable development of the economy of the state as a whole and its regions.

2357-1330 © 2020 Published by European Publisher.

Keywords: Socio-economic development, regions, efficient management.



This is an Open Access article distributed under the terms of the Creative Commons Attribution-NonCommercial 4.0 Unported License, permitting all non-commercial use, distribution, and reproduction in any medium, provided the original work is properly cited.

1. Introduction

The socio-economic development of a state is an important indicator of assessing the level of development of both the state as a whole and each resident of a particular country individually. In connection with the changing socio-economic, political, demographic situation it is necessary to analyze the most significant aspects of the state development. Such an analysis assesses the development level of the country as a whole and is the basis for comparing the level of socio-economic development of districts in order to identify the “weakest” districts requiring state support and the “strongest” regions that stimulate the state to develop in the economic and social spheres. This study helps understand which programs and federal districts require support. These data benefited the identification of the priority directions of state development and the state’s internal policy development.

2. Problem Statement

Social and economic issues concerning the development of the state and its individual regions require timely and expeditious solutions, since a high level of socio-economic development will provide the country with access to a new level of world cooperation and increase the living standards of the population. Despite the large number of theoretical and practical research results, modern scientists and practitioners are in search of promising areas of socio-economic development, with regards to the regional characteristics of transformation processes and possibility of using state regulatory instruments.

3. Research Questions

Studies of various authors in the field of socio-economic development are being constantly carried out due to the relevance of this problem. Works of domestic and foreign authors are devoted to identifying trends in socio-economic development of the state and its regions. In particular, Sorokin (2018) believes that social policy should become the fourth part of sociology along with social dynamics, social genetics and sociology itself. The nature and purpose of this section are purely practical and require application in order to determine the necessary means to achieve the goals of writing “recipes” for improving social life and lives of individuals. Aleksandrovich and Bogdanovich (2019) reveals a special interest in the problem of socio-economic development, which, in his opinion, is stipulated by increased government intervention in social processes as well as social policy divided into separate areas of social regulation covering certain areas of human activity.

4. Purpose of the Study

The purpose of the study is to identify trends in the main socio-economic indicators of the regions of the Russian Federation for determining the level of their development in the framework of ensuring the effective management of their functioning and formulating recommendations to increase the importance of socio-economic instruments of influence.

5. Research Methods

The methodological base of the research is made up of general scientific methods like induction, deduction, comparison, generalization, system analysis.

6. Findings

The emergence of the social policy concept is associated with the formation of the theory and practice of the social state in Europe in the second half of the 19th century. The new functions of the state bound to socialization are systemic and qualitative in nature, and are united under the term “social policy”. Since then, the issues that determine social policy essence have become a subject for debate for scientists, politicians and public figures of different countries. Social policy as a sphere of state and public organizations activity arose at the end of the 19th century, which is associated with the institutionalization of economic and social theory (as an independent area of scientific knowledge). After recognizing the objective nature of social phenomena and the possibility of scientific research, there arose the question of the legitimacy of using scientific knowledge gained in practice for managing social processes, namely, the legitimacy of their application. In his economic philosophy in 1912, Bulgakov (1990) noted the necessity to officially bring social policy to a scientific level. He believes that social policy is a social science in real action or social technology. Like other scientific disciplines, social policy has its own special directions and mission: “this socialization is expanding both in the national, socio-economic, cultural spheres and in a developing society of life and consciousness” according to Bulgakov (1990, p. 75).

At the beginning of the 20th century, V. Sombart’s book “Ideals of Social Policy” raises the question of the essence of social policy within the state. In a broad sense, he defines the social and domestic policy of the state, and in the narrow sense, he compares social policy with personal politics, calling it “an instrument of economic policy designed to maintain and facilitate the development or destruction of a specific economic system or its components” (Konstantinova, 2005, p. 116), that is, “events affecting the nature of the social system” (Konstantinova, 2005, p. 116).

A significant contribution to the development of the conceptual foundations of social policy at the stage of its initial formation was made by a circle of German researchers being economists, state scientists and sociologists. Despite the lack of a common interpretation of social policy within this circle, the work of its participants draws the attention of all countries to the issues of state regulating its participation in social processes and their implementation. Then, a basic approach to understanding social policy was formed while reformists discussed the most pressing social problems. In modern conditions, this does not lose its relevance, supporters and arguments. These approaches are relevant to this day though it may seem paradoxical. It reproduces similar views and approaches to understanding the essence of social policy. These approaches are closely related to the theory and practice of the current stages of socio-economic reforms. The following interpretations of social policy can be distinguished (Sidorina, 2015):

- social policy is a combination of public policy and relations between different sectors of society;
- social policy is an activity aimed at improving the situation of workers as well as regulating the social and labor sphere;

- social policy is a system of social support for the poor;
- social policy is the sphere of income regulation and poverty reduction;
- social policy is a means of regulating people's welfare;
- social policy is the determinant of a particular economic system and a "social system".

Summarizing the indicated interpretations of social policy evidences the complexity and versatility of this phenomenon. As a result of the interdisciplinary nature of true social policy, an attempt has been made theoretically to demonstrate that it is carried out using a different approach to the social sciences, which also complicates the process of conceptual unification, forming a different interpretive environment (Konstantinova, 2015). For example, social policy in economic science is defined as the use of tax and budget systems to redistribute social resources between different social groups and economy sectors. From the political point of view, social policy being one of the types of the state political activity supports and implements the interests of a particular social group or other elements of the socio-political system (political parties, movements, associations and other groups). The legal science approach to defining the essence of social policy focuses on issues such as ensuring universal equality of human rights, genuine civil rights and freedoms, political equality and social justice. In this regard, social policy is seen as the implementation of legal norms and systems that allow the state to provide all its members with a certain degree of well-being, stability, security and freedom of choice and movement. In the paradigm of management, especially in the theory of administrative management, social policy is manifested as a functional component of the public administration system and the local government system. In the framework of the modern theory of social work, social policy is interpreted as a general background coordination system that determines the direction of professional activity of social workers and the content of social technologies.

The modern approach to understanding social policy reflects the most problematic areas of social policy, reflects the interdisciplinary nature of social policy and reproduces most of the views that were discussed abroad more than a century ago. This indicates a certain parallelism of eras, stages of social development and the development of social thought. The practice of managing regions and the country as a whole indicates the need for a strategic choice of a new model of social policy for Russia, taking into account the distinguishing characteristics of Russian society and the trends, transformations and uncertainties that currently exist in the world practice. Today, many Russian experts come to the conclusion that the new model of economic growth in Russia, essential for overcoming economy stagnation, can be primarily associated with the formation and implementation of a new model of social policy. This dependence, which implies a significant change and increase in social status and the role of social policy in society, is connected with the fact that "modern Russia needs not only economic growth in general but economic growth of a certain quality. The main strategic guidelines were outlined in the Development Concept until 2020. Specifically, they are as follows: GDP growth equal to 6.5 %, radical poverty reduction, increased investment in human capital. And these goals were set more than ten years ago. However, the socio-economic realities of individual regions of the country indicate the impossibility of achieving the set development guidelines. On the one hand, difficulties are associated with the economic and political situation; on the other hand, the consequences of the global economic crisis are still being manifested.

Currently, the process of forming Russia as a social state requires carrying out a research related to studying the level of socio-economic development not only of the entire Russian Federation but of individual federal districts as well. Relevant issues of regions socio-economic development and public administration improvement at the regional level are identified in the annual Presidential Address to the Federal Assembly. In particular, the need to increase the role of governors in the development and adoption of decisions at the federal level is growing. It caused the President's initiative concerning the revival of State Council, which the heads of all regions participate in. The State Council has created working groups that will provide a professional, comprehensive and high-quality study of the most significant issues contributing to socio-economic development of the regions, citizens and the country as a whole. The Decree of the President of the Russian Federation "On the Basic Provisions of Regional Policy in the Russian Federation" (2020) states that a region refers to a part of the territory of the Russian Federation possessing a commonality of natural, socio-economic, national-cultural and other conditions. It is noted that the region may coincide with the borders of the territory of a constituent entity of the Russian Federation or combine the territories of several constituent entities of the Russian Federation.

This study will use the socio-economic statistics of the federal districts of Russia. It is socio-economic statistics that can be called the most important and effective weapon for managing the state at all its levels, as well as a means of understanding the life of society in all its diversity (Federal State Statistics Service, 2020). It studies the state and development of both social and economic spheres of the state and regions, analyzes trends, patterns and, uses all this as a base for improving the system of indicators (Sorokina, 2015). Based on the data obtained, it is possible to determine the "weak" and "strong" regions. This analysis gives an idea of what policies are implemented throughout the Russian Federation and what programs are needed to improve socio-economic performance in individual regions.

Let us consider the main socio-economic indicators of the Russian regions (Table 1, 2).

Table 01. The main socio-economic indicators of the Russian regions in 2017

| | The area of the land, thousand km ² | Population., thousand people. | The average annual number of employees, thousand people. | Per capita cash income (per month), rubles. | The average monthly salary of employees of organizations, rubles. | Gross regional product in 2016, million rubles. | Retail turnover, million rubles. |
|---------------------------------|--|-------------------------------|--|---|---|---|----------------------------------|
| Russian Federation | 17125,2 | 146880,4 | 71842,7 | 31422 | 39167 | 69254134,3 | 29813,3 |
| Central Federal District | 650,2 | 39311,4 | 21259,7 | 40843 | 48593 | 24135019,0 | 10140135,8 |
| Northwestern Federal District | 1687,0 | 13952,0 | 7161,5 | 33890 | 44450 | 7803750,5 | 2922979,1 |
| Southern Federal District | 447,8 | 16441,8 | 7455,0 | 26928 | 28712 | 4896268,6 | 3120253,6 |
| North Caucasus Federal District | 170,4 | 9823,5 | 3839,6 | 24017 | 24400 | 1797972,3 | 1620758,3 |
| Volga Federal District | 1037,0 | 29542,7 | 13854,8 | 25870 | 29189 | 10375870,2 | 5219930,2 |
| Ural federal district | 1818,5 | 12356,2 | 6366,7 | 32944 | 43977 | 9354739,3 | 2555718,4 |
| Siberian Federal District | 5145,0 | 19287,5 | 8715,5 | 23925 | 33718 | 7133872,1 | 2918494,4 |
| Far Eastern Federal District | 6169,3 | 6165,3 | 3189,7 | 37070 | 48952 | 3756642,3 | 1315064,6 |

Having analyzed tables 1 and 2, we can conclude that the largest territory is occupied by the Far Eastern Federal District, whose territory is 6 million 169 thousand 300 km². The smallest is the North Caucasus Federal District and its area is 170 thousand km².

The most densely populated area is the Central federal district. It is not a surprise because this district can be called the political, economic, historical and cultural center of the country. It includes the capital, whose population is equal to, and sometimes even exceeds, the population of entire federal districts. The minimum population is observed in the Far Eastern Federal District, this is due to the remoteness of the region from the central part as well as to the climate.

The largest number of employees is in the Central Federal District due to the dense population and location of economic centers. The lowest rate of employment is in the Far Eastern Federal District, which is due to the small population and remoteness from central Russia.

Table 02. Rating of Russian regions by main socio-economic indicators in 2017 (compiled by the authors)

| | The area of the land, thousand km ² | Population, thousand people. | The average annual number of employees, thousand people. | Per capita cash income (per month), rubles. | The average monthly salary of employees of organizations, rubles. | Gross regional product in 2016, million rubles. | Retail turnover, million rubles. |
|---------------------------------|--|------------------------------|--|---|---|---|----------------------------------|
| Central Federal District | 6 | 1 | 1 | 1 | 2 | 1 | 1 |
| Northwestern Federal District | 4 | 5 | 5 | 3 | 3 | 4 | 4 |
| Southern Federal District | 7 | 4 | 4 | 5 | 7 | 6 | 3 |
| North Caucasus Federal District | 8 | 7 | 7 | 7 | 8 | 8 | 7 |
| Volga Federal District | 5 | 2 | 2 | 6 | 6 | 2 | 2 |
| Ural federal district | 3 | 6 | 6 | 4 | 4 | 3 | 6 |
| Siberian Federal District | 2 | 3 | 3 | 8 | 5 | 5 | 5 |
| Far Eastern Federal District | 1 | 8 | 8 | 2 | 1 | 7 | 8 |

As it has been already mentioned, the highest average per capita cash income is observed in the Central Federal District. Due to the high economic development, the Far Eastern Federal District goes second. From the authors' perspective, this is due to the fact that this district lies on the border with other states, which leads to economic development for cooperation. Another the reason is the programs implemented by the state and providing entrepreneurs with incentives for development. Such a high figure is artificially created to attract young and promising specialists to the Far East with the objective to develop the district and interstate relations in the future. The last place is occupied by the Siberian Federal District.

The highest salaries in the Central Federal District can be explained by the fact that this is Central Russia, where not only salaries but also prices are high. Moreover, salaries in Moscow (73,812 rubles) and St. Petersburg (53,740 rubles) are among the highest rates on the whole territory. High salaries in the Far East are caused by the outflow of the population and attempts of the government to implement various development programs, increasing the salary rates and paying benefits with the objective to improve the situation. Consequently, it attracts workers to these territories. The lowest figure with this

regards is in the North Caucasus (24.400 rubles). In Sevastopol, which is the city of federal significance, it is only 27.687 rubles.

The Central Federal District having the highest gross regional product is the economic center of Russia. Volga and Ural federal districts still have rather high indicators. This can be explained by the high level of industrial development. The leading spheres in these districts are engineering, fuel and energy complex (Volga region) as well as oil and gas industry, ferrous and non-ferrous metallurgy (Ural region). The North Caucasus Federal District has the lowest rate, despite the extensive development of consumer goods industry and agriculture, the gross regional product rate is rather low due to small areas and low employment rate of the population. Retail sales are high in the Central and Volga Federal Districts and low in the Far Eastern Federal District. This indicator is directly dependent on the population in the districts.

In modern conditions, the issue of strategic guidelines for social policy is once again being updated. The dynamism of socio-economic processes requires constant reform of the social sphere, its main sectors and the management system, which also involves constant changes in approaches to understanding the essence, strategic goals, tasks and mechanisms of implementing social policy.

7. Conclusion

The study outcomes allow for the conclusion that the main socio-economic development indicators lead to an obvious differentiation of regions. The Central Federal District is a base region with a diversified economic complex. Its high rates are characterized by the location of the region, its historical and cultural heritage. An analysis of recent years indicates the emerging positive dynamics of socio-economic development in other regions of the Russian Federation. The main direction of the state's social policy is not only the maintenance and improvement of the Central Federal District but also the development of "weak" regions that need it. Thus, the implementation of the support program for the Far Eastern Federal District affects the level of socio-economic development of the region rather effectively. In particular, the positive results of such programs as "Far Eastern Mortgage", "Far Eastern Hectare", programs on creating a territory of advanced social and economic development in the Far East are indicated. More and more young people are sent to this region to add to human resources and develop the region not only from a social but also from an economic point of view, to set up private enterprises and establish interstate economic relations.

However, the unresolved problems restraining the socio-economic development of the country and its individual regions, in particular, uneven socio-economic development of the regions; obvious dependence of economic processes at the regional level on trends in the development of the global economy; differentiation of the regions of a district in terms of economic indicators being generally higher than in terms of social indicators; the pronounced systemic nature of economic and social problems in the regions of the center of Russia.

References

- Aleksandrovich, Y. M., & Bogdanovich, A. V. (2019). *Social policy and the development of human potential*. Moscow.
- Bulgakov, S. N. (1990). *Philosophy of economy*. Moscow.
- Decree of the President of the Russian Federation “On the main provisions of regional policy in the Russian Federation” (2020). Retrieved from: http://www.consultant.ru/document/cons_doc_LAW_10590/
- Federal State Statistics Service (2020). Retrieved from: / <http://www.gks.ru>
- Konstantinova, L. V. (2015). Strategic guidelines for social policy: a modern conceptual framework. *Nationwide sci. and polit. J. Power*, 23(8), 27–34.
- Konstantinova, L. V. (2005). On the concept of “social policy” in modern social theory. *Politics and the rule of law*, 2, 108–124.
- Sidorina, T. Yu. (2015). *Social policy - between economics and sociology*. Moscow.
- Sorokin, P. A. (2018). *The system of sociology*. Moscow.
- Sorokina, N. Yu. (2015). Content and directions of sustainable socio-economic development of Russian regions. *WORLD (Modernization. Innovation. Development)*, 2(22), 143–147.