REGIONAL ECONOMIC COMPLEX MANAGEMENT FEATURES OF RUSSIA

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ABSTRACT

Many problems of economic potential management in a regional industrial complex are closely associated with the establishment of the effective ways to maximize the use of all potential opportunities. The article suggests the priority directions to identify and mobilize the internal reserves of the regional industrial complex in the depressed republics of the North Caucasus Federal District. The negative state of the basic economic characteristics makes it necessary to conduct a complex of studies on a rational structure development concerning the national economy. These studies are becoming highly relevant with the actualization of globalization processes and the intensification of competition in world markets. This situation makes it necessary to optimize the sectoral composition of the Russian industrial complex. A thorough review of the basic provisions is also necessary in the framework of the implemented industrial policy at all levels. At the same time, it should also be noted that there is half a dozen of RF regions against the background of globalization, which play a significant role in the country economy. All this suggests the need for deep economic research on the development of a regional industrial policy, based on the analysis of regional industrial complex competitiveness level.

1. INTRODUCTION

Within the conditions of increasing competition, the competitive industrial development, built on precise strategic positioning of regional industrial complexes and the proper balancing of sectoral economic growth rates, becomes necessary for the sustainable and balanced development of Russian Federation (RF) regions.
There is no doubt that such an approach will ensure national security. We have to admit that there is no improvement of investment climate in the depressed republics of the North Caucasus Federal District, which neutralizes the possibility of competitive advantage development for both regional industrial complexes and the regional economic system as a whole. The transition to market relations, another economic crisis, and the refusal from the planned economy destroyed regional economic complexes.

The subject of the research is the methods and the tools for regional industrial policy development, the determination of regional industrial complex competitive factors. The purpose of the work is to analyze the features of the regional industrial complex management, to identify the internal reserves for the restoration and the development of the complex under study.

They determined the possible sources of investment support for structural and innovative changes in the regional industrial complex; they substantiated the expediency of hybrid model use in the depressed republics concerning the distribution of economic potential in the areas; they proposed the methods of the regional industrial complex strategic positioning, they identified priority areas for the industrial development in the depressed republics of the North Caucasus Federal District.

2. RESEARCH METHODOLOGY

The methodological basis of research is the general scientific methods of cognition, including various methods of abstraction. They also used systematic, functional analysis and observations.

3. STUDY RESULTS

The efficiency of the modern economy of Russia depends, first of all, on the competitiveness of the regional industrial complex - a set of diversified enterprises. Practice shows convincingly the following - the higher the level of organizations within the territorial industrial complex, the more significant the qualitative and quantitative end indicators. The concept of "complex" forces us to consider the totality of enterprises as one whole. Under industry affiliation, we understand the totality of production, which is characterized by the commonality of products, technologies and the needs to be satisfied [3,7].

In addition to the sectoral aspect, the concept of “industrial complex” includes also a regional (territorial) aspect. At the same time, there are also other concepts reflecting the regional aspect of enterprise analysis, in particular, “territorial production complex”, “cluster” and others. However, it should be noted that these concepts are not synonymous with the concept of "regional industrial complex". The last concept, in our opinion, is much broader than, for example, the “cluster”, because it includes all enterprises and organizations of industrial production, regardless of the established economic and production-technological links between them.

The transition to new (market) economic relations demanded new scientific approaches
to the analysis and the use of industry economic potential. During the period of rejection from the centralized planning and distribution, the critical collapse of regional industrial complex economic potential and its qualitative characteristics took place. All this undoubtedly actualized the problem of economic potential management efficiency improvement concerning the territorial industrial complex, as well as the search for internal reserves to its increase \cite{2, 8, 9}.

Such a problem statement requires the finding of the most rational ways to maximize the potential of production, financial, labor and other resources. All this is acutely felt during the comparative analysis of national income, the growth rates of economy, the production of labor in industry and other factors.

During the early years of market reforms, the material and technical base of industry deteriorated dramatically in the republics of the North Caucasus Federal District, and an unacceptable bias occurred in the structure of regional industrial complexes and enterprises \cite{10, 11}. Naturally, in these conditions it was impossible to talk about any dynamism of economic growth. In such conditions, new factors began to play a key role in economic potential management of the regional industrial complex. In the conditions of competition increase, the tasks of economic growth development by the economic potential accumulation of territorial industrial complexes through the mobilization of domestic resource potential are coming to the fore \cite{4}. It is no coincidence that they propose to consider economic potential as a summary indicator characterizing the volume of accumulated and reproduction resources by the industrial complex of the region. Moreover, the economic potential must also be explored as a social category, because its increase is intended for the fullest satisfaction of material and spiritual needs of the territory and the national security of the country. Hence, it can be argued that the degree of society satisfaction depends on the effectiveness of the regional industrial complex potential capability use.

The economic (world) crisis, as well as the sanctions of Western countries and the United States, complicated the processes of economic potential of regional industrial complex formation and the utilization unequivocally, especially in the depressed republics of the North-Caucasian Federal District.

The decline of industrial production was observed in almost all republics, the capacity of industrial product consumer segments produced in the region decreased significantly, which negatively affected the structure and the main elements of the economic potential.

The infrastructure of the regional industrial complex of the North Caucasus Federal District republics turned out to be completely unsuitable for the next global economic crisis. Thus, the promising industries and new technologies are almost absent. The processes of main factor update in the departments of the regional industrial complex are extremely uneven across the sectors and by time lag. Thus, the actual age structure of the basic production assets of industrial enterprises in the republics of the North-West Federal district
is a special factor that greatly hinders the further development of infrastructure and the building up of the considered complex economic potential. In general, wear is more than 65% in mechanical engineering and electric power industry [11].

In such conditions it is impossible to talk about high-tech industries, the development of a highly competitive profile of the regional economic system industrial sector.

At the same time, the structural-dynamic study of the studied complex infrastructure showed that the region still has the potential to increase the effectiveness of economic potential strategic management in the republics of the North Caucasus Federal District. This is chemical industry and non-ferrous metallurgy. Of course, this requires the activation of state structure, business and society interaction.

This situation requires the development of a new tool for the formation and the use of industrial enterprise economic potential on the territory. It seems to us that, depending on the task, the economic potential of the regional industrial complex can be studied not only as the main source of regional revenue growth, as the result of productive force development in the region, and as the indicator of the maximum productive capacities of the regional industrial sectors, but also as a kind of social stability absorber in the region.

Thus, the economic potential of the regional industrial complex goes beyond the economy itself, for it is directly linked to social events taking place in society (the creation of new jobs, social, political, financial and other opportunities).

The relationship between the abovementioned constituent elements of the regional industrial complex economic potential is expressed by the maturity of social and economic relations between people developed during social production and the level of economic mechanism perfection causing these relations [1].

The size of the industrial complex economic potential in the region, its qualitative growth is created in the course of social production development. Moreover, the capabilities of the components and the mechanism of their interdependence predetermine the magnitude of the economic potential, its structure, and dynamics.

The main competitive advantages of North Caucasus Federal District republics are the transboundary geographical location, a significantly developed transport network, the presence of unique natural deposits (tungsten, molybdenum, zinc, oil, gas, mineral water), high urbanization, high level of population economic activity, education and skilled labor, the ethical feasibility and multiculturalism of the region.

In the course of regional industrial capital restructuring, it is necessary to identify the priority areas of activity that can change the economic situation in the region. For this, it is necessary to develop the basic components of the complex under study and the processes of their structural regulation, to improve the technological structure of material production, and to improve the organizational and the management structure of the regional industrial complex [6].

An equally difficult problem is the need to find the sources of investment support for
the structural and innovative changes in the industrial complex of the region.

As such, we consider the following ones:

1. Own funds of industrial enterprises and organizations included in the regional industrial complex;
2. The attraction of bank loans and borrowed funds of others and enterprises (not included in the complex under study);
3. We consider the population funds as a perspective source [1,3,6].

It should also be noted that the increase of the regional industrial complex position of the North Caucasus Federal District republics in the market of extra-budgetary investment resources also depends largely on the measures taken by the regional authorities in order to improve the investment climate of the territories.

The current position of the investment climate in the depressed republics of the North Caucasus Federal District is characterized by stable dynamics of investments in fixed assets, the lack of significant foreign investment in the regional economy, rather low values of investment attractiveness ratings due to the well-known geopolitical situation in the region.

We believe that in these conditions it is advisable to recommend a hybrid model of economic potential distribution in the depressed republics within the areas of regional industrial complex development in the conditions of a protracted economic crisis, based on the conducting model of economic policy cluster, because it allows you to use, first of all, the most promising sectors of the regional industrial complex that can give a multiplier effect in related industries. Moreover, the hybrid model allows you to increase the investments in innovative enterprises of the region.

The analysis of the special literature devoted to the impact problems on the reproduction of industrial complex economic potential main aspects of the region indicates the following:

1. The balanced reproduction of effective potential main aspects is the basis for the sustainable development of the territorial industrial complex.
2. Reproduction processes are the controlled processes aimed at regional industrial complex activity increase.
3. At the same time, the key task of economic potential management is to ensure the expanded reproduction of all resources (production, social, institutional, financial, etc.), which is necessary for a competitive regional economic system development.

Of course, during the crisis the economic potential management is complicated extremely. This requires the competent implementation of the systematic approach main provisions. The use of the systematic approach during the formation of a strategic management system by the economic potential of the industrial complex of the region will undoubtedly provide the opportunity to observe the principle position in which the development vector acts as the sum of two directed potentials:

1. “The vector reflecting the immanent processes of vital activity structure reproduction in the region;
2. The control vector expressing the external impact on the reproductive contour of the region” [5].

In a crisis situation, when almost all types of resources are limited, a new (forced) strategic goal of a regional industrial complex management and the restoration of industrial production comes to the forefront, and it is necessary to intensify the production processes of innovative products.

At the same time, it is imperative to consider the alternative ways of the regional industrial complex economic potential use.

Under these conditions, it is necessary to single out the influence of external objective factors for the development of science and technology. Today, high-tech markets are represented by the products of the fifth and even sixth technological order, the core of which is the electronics industry, fiber optic and computing technology, nanoelectronics, genetic engineering, etc. It is obvious that the regions need serious state support, otherwise Russian markets and regions will be occupied by foreign products.

A radical industrial restructuring is required, which will allow to develop a network of high-tech enterprises in the region, to train personnel for new specialties, and ultimately accelerate the integration of depressed republics into the existing system of international division of labor.

4. CONCLUSION

This work presents regional economic complex management features of Russia under many problems of economic potential management, associated with the establishment of the effective ways to maximize the use of all potential opportunities. The study suggests the priority directions to identify and mobilize the internal reserves of the regional industrial complex in the depressed republics of the North Caucasus Federal District. The negative state of the basic economic characteristics makes it necessary to conduct a complex of studies on a rational structure development concerning the national economy. These studies are becoming highly relevant with the actualization of globalization processes and the intensification of competition in world markets. Under this situation, it is necessary to optimize the sectoral composition of the Russian industrial complex. A thorough review of the basic provisions is also necessary in the framework of the implemented industrial policy at all levels. In addition, there is half a dozen of RF regions against the background of globalization, which play a significant role in the Russia economy. All this suggests the need for deep economic research on the development of a regional industrial policy, based on the analysis of regional industrial complex competitiveness level.

5. REFERENCES


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