



Factors and Material Conditions for Space-Intensive Economic Development of Region

Dmitry E. Morkovkin^{1*}, Alexei Y. Mamychev², Nataliya V. Yakovenko³, Igor V. Komov⁴, Mariya V. Derevyagina⁵, Olga V. Didenko⁶

¹Financial University under the Government of the Russian Federation, Moscow, Russia, ²Vladivostok State University of Economics and Service, Vladivostok, Russia, ³Voronezh State University, Voronezh, Russia, ⁴Voronezh State University, Voronezh, Russia, ⁵Voronezh State University, Voronezh, Russia, ⁶Voronezh State University, Voronezh, Russia. *Email: MorkovkinDE@rambler.ru

ABSTRACT

The strategic goal of Russia - 2020 is to change the economic model of the country with the raw material for innovation, improving the efficiency of government and a sharp improvement in the quality of life of Russians. New target settings defined in the strategy, focus on quality rather than quantitative results of forcing a new look at content management at all hierarchical levels: Federal, regional, territorial. In economic studies last 30-40 years there has been increasing interest in the economic side of the speakers at the regional level. This reflects the objective processes of globalization of the economy, which began to play a special role of spatial and economic "point" of the industrial and innovative development. In turn, the existence and the functioning of such "points" in the national economy in a certain way affect the inter-regional mobility of factors of production, which has a direct impact on regional economic performance, in both quantitative and qualitative aspects.

Keywords: Regional Economics, Economic Space, Production, Development

JEL Classifications: C40, P25

1. INTRODUCTION

The development process of internationalization and globalization of economic activity has given rise to a new scientific field of regional economics - spatial approach. Within the spatial approach, there are different points of view to the economic area: System-structure, economic, legal and geopolitical.

We believe that certain points of view in the study of economic space in the region more fully exhibit the characteristics of the reproduction process at the regional level, which as a self-organizing, complex, dynamic system evolves in the course of interaction with the environment.

For further investigation under this section, based on the conclusions of Gavrilov (2002), highlight the characteristics, causing the reproductive process of the region separately: The number of population and the size of the territory (geographic

location), the specificity of the prevailing activities (production and functional features); the nature of construction sites of industrial activity, housing and services (especially urban); rules of communication, behavior (especially sociological).

Kerefov (2011) to study the characteristics of intensive type of the reproduction process in the region, offers a methodology for the identification of the dominant trends in the regional reproductive trends on the basis of the production function and comparing the different content of socio-economic indicators, expressed in disparate units (Kerefov, 2011).

You cannot ignore the fact that the region (including its economic space) does not have the ability to eliminate the adverse conditions, resulting in the possibility of reducing the effectiveness of the economic space in the region and the emergence of the need for additional budget funds, especially funds for the formation and development facilities improve social services people in

the region and its infrastructure. In this regard, the management of infrastructure in the region, the sphere of the normal life of people in the region included the direction to improve the use of infrastructure. This implies, for example, decisions on the formation of a unified property complexes, to have further investment attractiveness.

2. MAIN PART

The ability of the economy to growth depends on several factors, by which is meant the phenomena and processes that determine the pace and scale of long-term increase in real output, the possibility of improving the efficiency and quality of growth. By way of impact on economic growth distinguish direct and indirect factors. Direct considered the factors that make the growth of mobility. This group includes the supply factors:

- The quantity and quality of labor resources
- Quantity and quality of natural resources
- The volume of fixed capital
- The technology and organization of production
- Level of development of entrepreneurial skills in the community.

Indirect factors - these are the conditions that would allow the existing society opportunities for economic growth. Such conditions are factors of supply and distribution:

- Decrease in the degree of monopolization of the market
- Tax climate in the economy
- Efficient credit and banking system
- The growth of consumer, investment and government spending
- Expansion of exports
- Possibility of redistribution of productive resources in the economy
- The current system of income distribution.

The impact of these factors on the economy determines the type of economic growth, by which is meant the impact on economic growth of quantitative and qualitative variables. Economic science distinguishes two types of economic growth, first formulated by Marx: Extensive and intensive. They differ in the ratio of results and the factors of production.

Factors of production - is the resources used for the production of economic goods, including:

- Natural resources - Land, water, air, raw materials used for processing
- Work - A mental and physical abilities of the person required to produce
- Capital - Buildings, machines, machinery, semi-finished products and so on. N., is created by human labor.

In recent literature adds another factor of production - A business that brings together all the factors of production in one enterprise.

The main factors contributing to the emergence of the region as an independent economic entity: The presence of special (regional) interest; regionalization of the economy and as a

consequence - The new role of the regions in the organization of economic life; federal form of government, which defines the powers of the subject and the degree of centralization and decentralization of public administration; infrastructure complex in the region, which is the material basis of its economic independence; a system of institutions, ensuring the functioning of regions as economic entities, among which occupies a special place regional economic policy pursued by the federal and regional authorities (Kuryanova, 2008).

Thus, based on our analysis clarified the definition of cross-border region and identified the following preconditions of its formation (Forelock, 2012):

- The impact of globalization and scientific and technical progress
- Relative geographic proximity of the merging of regions
- The ability to overcome the limitations of own resources caused by the administrative-territorial division, institutional, historical, natural and geographic or other conditions through the exchange and cooperative ties with neighboring regions
- Availability of sustainable organizational and economic relations with neighboring entities in the form of migration flows of labor and capital
- The possibility of adapting the institutional environment.

Author Chub based on a study of different approaches to the evaluation of social development group identifies the factors that influence the nature of the spatial and economic development of the region:

1. Economic factors: Technology and organization of production; entrepreneurial activity; development of infrastructure industries; energy efficiency; investment potential; the state budget; the quantity and quality of natural resources.
2. Social factors: Population; skilled and motivated; work force; the level and quality of life; public health; development of social infrastructure.
3. Institutional factors: Completeness of the regulatory framework; the effectiveness of the enforcement of coercion and control; the mentality of the population; organization of the system of controls; the level of development of communication channels.
4. Innovative factors: Scientific and technical potential; research activities; number of established innovations; the amount borrowed innovations; the number of used innovation
5. Globalization factors: External economic relations; the activities of transnational corporations and banks; the presence of foreign retailers; participation in the World Trade Organization.

The preservation and strengthening of Russia as a federal state with a single economic space is inextricably linked with the overcoming of the existing negative trends of territorial development, systemic properties and characteristics of the economic space, their regional characteristics in order to achieve common strategic objectives of socio-economic development of the country and its regions.

The following properties of economic space are (Shchetinina, 2006; Muhammad et al., 2015):

- Properties of a fractal, when one economic area, as an independent part of “embedded” in another, and at the same time, both constitute a single integrity;
- Heterogeneity of property arising on the one hand, the non-linearity of the processes occurring in the economic area, the other - of the relationship between the processes themselves. Different levels of economic synchronization of time in the main, auxiliary and service processes, different levels of competitiveness of business entities involved in these processes, as well as their individual perception of the institutional environment determine the heterogeneity of economic space, expressed in varying degrees of concentration
- Self-organizing property, which refers to the ability of the system without specific influence from the outside to take some spatial structure. This property is expressed in the ability of economic space to a certain extent, offset the effects of adverse external and internal processes, which increases the stability of the economic activities of economic entities and the level of organization of economic processes.

By the universal properties of economic space should be included:

- Objectivity of its existence and independence of the human mind (but not from the activity)
- Dependence on the structural relations and processes of development in the economic, industrial and economic interactions
- The unity of continuity and discontinuity in the level and structure of economic space.

By the universal properties of the economic area should also include the possibility of adding this element to each of the next item or any possibility of reducing the number of elements, the possibility of changing the nature of social and economic interactions, the mutual arrangement of the elements of economic space, their number and quality attributes.

Economic space are not inherent connectedness and continuity, usually manifested in a physical space in the nature of the bodies moving from point to point, however, is inherent in the spread of the impact of connectivity through various institutions and field in the form of short-range transmission of energy.

Economic space characterized by relative continuity, manifested in the separate existence of material objects and systems, actors and factors, the existence of structural diversity of the level of interaction that varies depending on the density change of socio-economic relations.

A common feature of economic space, to detect identification at all structural levels (nano, HOMO, micro, meso, macro, sub, mega) is three-dimensional (3D), which is organically related to the structural and economic systems, as well as the economic and social networks and their interdependence. All economic processes and interactions are implemented only in 3D space. Economic space is always 3D and describes the length and structure of the economic process, the coexistence and interaction of different economic actors and elements of the economic system.

It is necessary to distinguish between metric (expressed particular communication of spatial elements, procedures and quantitative principles of these bonds) and topological (connectedness, multilevel, etc.) properties of the economic space.

The main characteristics of the economic space are:

- Density (population, gross regional product, the concentration of natural resources, fixed assets, etc. per unit area);
- Accommodation (indicators of uniformity, differentiation, concentration, distribution of population and economic activity, including the existence of economic development and undeveloped areas);
- Connectivity (the intensity of economic relations between the parts and the elements of space, the terms of the mobility of goods, services, capital and labor resources, determined by the development of transport and communication networks).

Taking into account the social orientation of the market economy, particularly important component of the social characteristics of the economic environment.

Equally important for spatial and economic development of the region is small and medium businesses. Mironov identified factors of small and medium businesses formation at the level of the regional economic system as:

- Access to the market and the competitive environment - The factor that determines the boundaries for the marketing of products, and the relationship of competition between enterprises
- Human capital and skills - And access to the professional level of personnel for small and medium businesses, the availability of special programs for the development of business, increasing business skills and on this basis - to minimize risks
- Financial resources - The availability of finance at all stages of development of the enterprise
- Innovation and infrastructure development - The presence of business incubators, technology parks, industrial and science parks
- Administrative optimization - General and sectoral administrative boundaries
- Delivery system - available set of specialized services, the rules and conditions of interaction of small and large companies and among themselves (Gerasimov et al., 2015; Mironov, 2011; James, 2015).

Korchagin on the basis of the analysis of external conditions and factors affecting the social, economic and environmental development of the regions, allowing them to structure the three levels: International (global); national (Russian); regional (largest federal district) (Korchagin, 2009).

As part of the trend of the global world community, the key development benchmarks (including Russia and its regions) should be: The formation and development of an innovative model of economic growth; improvement of the social and environmental spheres; improving the demographic situation.

According to Korchagin in the forecast period, the economic development of Russian territories will be determined by the following main factors influence the spatial and economic development:

- Increasing dependence of economic growth on investment (investment policy, investment attraction)
- The intensification of innovation and investment components of growth
- Reduction in the number of working age population coupled with increasing scarcity of highly qualified personnel working specialties
- Increasing competition in the internal and external markets.

The priority directions of spatial and economic development of the territory of a single-product economies Korchagin defines: Innovation-innovative activities; chemical products and new materials; transport logistics and communications; scientific and educational activities (Korchagin, 2007).

Similar view Borukaev, removing small and medium business backbone role in the consolidation of resources and the spatial and economic development of the region, elaborating on the formation of the inherent properties of localized activity in the region, to create a market separate territorial unit and ensuring the balance of demand and supply in the North Caucasus region (Borukaev, 2011).

The transformation of the region into the real subject of the federation is its emergence as a subject of development. Under the region as the subject of development is understood as sub-federal entities performing social and economic function, developed and implemented the strategic goals of its development in domestic and environmental (national and global) environment through the integration of the objectives of stakeholders, as well as the reproductive cycles of the region taking into account the existing powers and resources. Analysis of the region as a subject of development involves consideration of its economic nature (functions); determinants of economic subjectivity of the region; products of its activities. Analysis of the factors determining the growth of subjectivity in the region shows that they are largely exogenous, external to the region. These include above all the globalization of the economy, the development of regionalism, the formation of Russian federalism. The main products of activities in the region as a subject of development are:

1. The competitiveness of the region and its sub-systems (social, economic, administrative, environmental, infrastructural, institutional, security);
2. Competitive public goods;
3. Competitive resources and potentials of the region.

The institutional design of product activity in the region as a subject of development is carried out in the form of strategic objectives, strategies, and other institutions (Lapa, 2009; Yeung and Coe, 2015).

The globalization of the world economy and the openness of the Russian economy leads to the fact that even at the local (regional) markets, there is a global competition. Thus, the need to build a

competitive regional economy in the conditions of globalization and integration determines the dominant strategic approach to the management of socio-economic development of the region.

Composite index spatial and economic developments are the indicators of competitiveness, which can be divided into main and auxiliary. For the main indicators of Popov (2009) are those that best identifies a particular element of the productive forces and the property of its use. About sub-indicators, according to Popov, you can talk about how to use elements of the productive forces that determine the competitiveness of the spatial and economic development of the region.

In general, the consideration of territorial competitiveness determines the existence of the expenditure in an unchanged manner a limited number of factors that characterize the subjective competitive leadership and a point in the competition. The author notes that the number of subsidiary indicators of competitiveness of the regions should be given full information required, mainly for the assessment, but the number of sub-indicators of the competitiveness of the spatial and economic development of the region cannot exceed the permissible limits. In most cases the analysis in order to assess the competitiveness of the regions enough to apply the value of indicators in the range from 0 to 1. The set of indicators of regional competitiveness (spatial and economic development), organized on competitive principles, as well as the amount of a share of the means of production and population separately given region (Popov, 2008) are presented in Table 1.

The structure of the indicators of competitiveness of the region is a description of the reality of it with the appropriate properties and relations in the conditional system. Determining factors of competitiveness of the region and its properties involves various details and explanations. The main of this system is to maintain the integrity contained in those links, which are formed and developed between some elements of the productive forces in the territory of the region.

Magomedov said that the spatial and economic development is based on the use of the following basic steps:

1. Monitoring the needs of the population in the region, the state and development of markets formed, the spheres of interest of regional authorities and businesses
2. The establishment and maintenance of conditions for optimum adaptation of the structure of the regional economy to internal and external factors
3. The active implementation of regional interest
4. Enhancing the innovation process through the establishment and implementation of the relevant regional innovation policy (Magomedov, 2009).

In the development directions of change within a certain area is taken into account the specifics of a given region, which is due, in our opinion, the following circumstances:

1. Economic independence of the region cannot be absolute, as the regional economy, as a subsystem of the economy, cannot be regarded as an isolated part of it. This is evidenced by the

Table 1: Indicators of economic development (Popov, 2008)

Performance		
Economic potential of the region	Regional efficiency	Competitive advantages
The economically active population, thousands persons	Production of gross regional product per unit of the economically active population, thousands rubles/person	The cost of fixed assets per unit of the economically active population, thousands rubles
Average number of employees by economic activities, thousands persons	Production of gross added value generated by economic activity, by one of the employed population, thousands rubles/person	Coefficient of life of fixed assets in the region, %
The level of depreciation of fixed assets by industry sector, million rubles	Production of gross regional product in relation to the value of fixed assets depreciation, rubles	Volume indices of investment in fixed assets
The area of agricultural land, thousands Ha	Production of gross value added in agriculture the value of fixed assets, rubles	The level of officially registered workers in agriculture, %
Expenses for research and technological development, million rubles	The average monthly nominal wage per employee in the sphere of education and science, rubles	The share of employed in enterprises of scientific research in the sphere of the total population, %

fact that the state budget financing remains the main source of financial resources in the economy in most regions.

- At the level of development of the region are strongly influenced by climatic factors (the presence of minerals and other natural resources, favorable geographic environment, etc.) and environmental conditions.
- Most of the regions are “highly specialized,” i.e., focused on those or other spheres of the national economy (in this regard, traditionally allocated industrial regions, agricultural, recreational, etc.).

The authors believe that regional policy is based on the development of the regional economy, the shift of the center of gravity of total territorial issues at the level of the region from the perspective of the effective development of certain areas without disturbing the single economic space of the state.

Dzhereshtieva defining the region as a complex socio-economic system allocates the principles of its effective spatial and economic development:

- Integrative - A new quality of spatial and economic development (goal: Combining the interaction of all components and systems)
- Emergence - The consistency of the target functions of some of the structural elements and subsystems with the objective function of the base system
- Synergistically - Implementation of activities in the reversed multiplication result
- Unity - The existence of socio-economic systems as the administrative, functional and coherent formations, with any element of the system implements specific functions
- The optimality of centralization - The balance between the principles of decentralization and centralization of management
- Feedback - A system of information flows between object and subject of management
- Interchangeability - Manifested in the ability of subsystems and elements of the system have a “reciprocity” to the device
- Adaptability (optional competitiveness) is a case where the region adapts to changes in internal and external circumstances

without impairing the performance and stability of its operation

- Flexibility - Flexible building system back into balance after the event modifications
- Security - The presence of the minimum stability of the system to ensure its viability (Dzhereshtieva, 2010).

We agree with Polyakova, who in his study identifies performance (Polyakova, 2011) indicators and appropriate spatial and economic development of the region, including: The well-being of the population, the quality of working life, the quality of social services, life safety. Note that these figures can be regarded as factors of spatial and economic development of the region, allowing it to stand out from the other regions and to join (in the case of positive and stable parameters/factors) to other regions and territories.

3. CONCLUSIONS

- Having examined the various definitions of “region” in modern economic science, we can say that the views of researchers in understanding the versatile search. However, Alaev, Nekrasov, Dobrynin et al. in their complex research argue that the region - it is localized, a large area of the country, while the subject of the Russian Federation, characterized by the unity of the qualitative and quantitative reproduction process. Foreign authors James and John, Harskhorn and others. Be sure to add the definition of “region” characteristic of the political system, administrative regulation and uniformity of the socio-economic structure of the selected area.
- Equally important in the thesis plays a category of “economic space” in relation to the category of “region.” The study determined that the “economic space” in the works of previous authors considered three approaches: Territorial (Granberg; Leizerovich; Kostinsky et al.) approach; resource approach (Chekmarev; Peftiev; Krukovski et al.); information approach (Ivanov; Syroezhin; Parinov et al.).
- The classic understanding of the factors of production are: Labor, land and capital. It may be noted that the classical undergone minor changes largely transformation. Modern

scholars have identified the economic, social, institutional, innovation, globalization factors of spatial and economic development. Economic space has the following properties: Fractal, heterogeneity, and self-organization. The main features are the economic space density, location and connectivity elements of the space.

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