

REGIONAL ASPECTS OF THE IMPLEMENTATION OF SUSTAINABLE DEVELOPMENT PRINCIPLES

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Abstract

The article is devoted to the comparative analysis of regional economic policy conducted in developed countries and in Russia. The processes of development and realization of the regional policy of developed countries are investigated, which include the correct choice of objects for which the stimulation or restriction of economic growth is envisaged. It is noted that the market processes of the 90s of the last century in Russia took place against the background of economic crisis, accompanied by a decline in the standard of living of society, the growth of the differentiation of the country's regions in terms of socio-economic development, which contributed to the emergence of depressive territories. The important components of the concept of "depressive region" are considered, as well as the established subtypes of depressive regions are presented, their features are highlighted. It is noted that the depressiveness of regional development had a direct dependence on the sharp decline in living standards in the years of market transformation. On the example of such a depressive region as the Chechen Republic the analysis of successful implementation of government measures to achieve sustainable socio-economic development of the region is carried out.

Keywords: regional policy, sustainable development, income, employment, Chechen Republic.

I. Introduction

In modern domestic economic science there are different ideas regarding the definition of the content of regional policy. Thus, the regional policy conducted under the conditions of centralized management system in the Soviet Union, pursued the global goal of placing productive forces, solving the problems of creating large territorial-production complexes, accelerated development of the eastern regions, development of northern territories, equalization of the levels of economic development of the Union republics, etc. The nationwide character of this policy was its principal feature. The realization of national tasks, taking into account the location of the resource base and socio-economic characteristics of the country's territories was the main core of its content. [1]

Regional policy in foreign countries had some differences, providing for differentiated diagnostics of the country's economic regions in order to determine the directions of development. Along with the solutions of economic problems, considerable attention was paid to the problems of social, political and environmental nature, and although economic motives were given the greatest importance, their relative importance could be different depending on the country. It should be

noted that it was only in the late 1950s and early 1960s that European countries began to emphasize economic issues in their regional economic policies, whereas previously the prerogative had been given to its social importance. In modern times, social factors play no less important role and their goal is to achieve full employment, to distribute the regional income received and to solve the problem of welfare. [1]

II. Methods

According to S.S. Reshiev, in the development of effective policy much depends on the choice of the state strategy for the development of raw material industries and the form of ownership of them, as they represent the economic core that contributes to the successful economic growth of all regions.

In the work of Surkov S.A. and Shusharin V.V. it is noted that equalization of the levels of economic and especially social development of regions, which have far from equal opportunities, will contribute to leveling the processes of depressiveness of regional development.

N.D. Kondratiev considered it necessary to rely on a comprehensive study of regularities and trends of movement in the past and the possible direction of changes in the future, in contrast to the widespread teleological approach, which focuses on a priori set goals and predicts possible ways to achieve them.

Smirnyagin L. and Bylova G. note that the experience of Western countries facing the problem of structural reorganization and withdrawal from the crisis of depressed regions indicates a higher efficiency of the path of development aimed "upward" and the use of internal growth factors.

According to Volkov and other researchers, among the most conflictogenic factors influencing the socio-political and inter-ethnic situation in the North Caucasus, it was the factors of religiosity that stood out, and their role will not diminish given the unfavorable socio-economic situation.

According to the research of R.M. Sadykov, the growth of the physical volume of gross output of the personal sector was due to the inflow of labor force released from agricultural enterprises, land reform, which removed restrictions on the size of personal land use and livestock, etc.

In conducting this scientific research, such scientific methods as the method of comparative analysis, statistical analysis, comparative analysis, functional analysis, positive and normative analysis were applied. The scientific research was carried out in accordance with the problem-chronological principle, the principles of systematicity, as well as scientific objectivity.

III. Results

Regional economic policy or local planning absorbs all types of government intervention to improve the territorial distribution of economic activities. In fact, regional policies implemented in foreign countries seek to correct some spatial effects of free trade economy in order to achieve economic growth and improve the process of social distribution.

There are five periods in the development and implementation of regional policies of foreign countries:

- the first period is to identify regional problems and their origins;
- the second period is the definition of objectives and, if possible, in a quantitative way;
- the third period is the formation of an appropriate strategy;
- the fourth period is the selection of instruments to be used;
- the fifth period is the evaluation of the implemented policy. [1]

Among the most important elements of the process of development and implementation of regional policy of developed states is the correct choice of objects for which it is envisaged to stimulate or limit economic growth.

During the realization of market transformation in Russia there was a deep recession in the economy, a decline in living standards of the population, increased differentiation of regions by level

of socio-economic development, which resulted in the emergence of depressed territories. By the beginning of the XXI century, as a result of transition processes, 2/3 of the country's subjects, especially those located near or on the periphery of such leading industrial centers as the North-Western, Central, Volga-Vyatka, Volga economic regions, as well as the North Caucasus, Siberia, the Far East and the Urals were presented as depressive. [2]

Depressiveness as an economic phenomenon in relation to the regions, according to the "theory of long waves" of N.D. Kondratiev, is presented as an objective consequence of the cyclical nature of their economic development. [3] "Depression" as an economic category is a stagnation in the economy, with a lack of growth in production and business activity, low demand for products and significant unemployment. This phenomenon is usually observed after or as a result of an economic crisis, indicating the final stage, after which we should expect the onset of the stages of economic recovery and recovery. Based on the existing ideas of both domestic and foreign economic theory, depression is characterized by a cumulative process, when the reduction of investment and consumer demand results in a decrease in production and production resources, thereby maintaining low demand. [4]

It should be noted that the Russian depression, emphasizing its specificity in the form of a decline in production in the presence of inflation, gave reason, according to some authors, to consider it as "stagflation." [2] In accordance with this context, "depressive region" is most accurately defined by L. Smirnyagin and G. Bylova as a territory that differs from others in terms of the main socio-economic indicators, which include the rate of development. [5]

At the legislative and regulatory level, the concept of "depressed regions" found application in the context of budgetary relations to determine the system of compensation for existing interregional differences. In the Resolution of the Government of the Russian Federation No. 639 dated 29.06.1995, the name "depressive" was first adopted in relation to the regions, despite the ambiguity of its interpretation, which in the future, especially in practice, had negative consequences. The draft Federal Law No. 91010-3 "On the Basis of Federal Support for Depressed Territories of the Russian Federation" adopted in the country on March 12, 2003 reflected the concept of "depressive region" more precisely. According to this provision, "depressed territory" was represented as a unit in the form of a district, city or it was a set of contiguous administrative units with a homogeneous economic structure, within one or more subjects of the Russian Federation, which due to the crisis was in a state of extreme economic decline. [6]

In the traditional perception, a depressed region is characterized by a lower than average level of socio-economic development in the country, but in the earlier period it was a relatively stable developing territory, occupying high positions in the country by some indicators. Depressive regions, having a large accumulated scientific and technical potential, a significant share of industry in the structure of the regional economy, a fairly high level of qualification labor resources, while being characterized by decreased competitiveness in the main products, reduced investment demand, negative structural changes in the economy, depletion of mineral raw material base, low indicators of well-being of the local population. Such features define a depressed region as a territory in a phase of steady economic decline, in which there is no possibility of new stimuli for development and it is necessary to apply corrective measures on the part of the authorities to get out of the current state. In the 1990s, depressed regions, based on the duration and depth of territorial depression, largely due to the sectoral specifics of production, the crisis in which led to the spread of depression to the entire regional economy, began to be divided into old-industrial, extractive and agrarian-industrial types. [2]

Among the more affected due to the reforms of the 1990s in the country were the old-industrial regions, on the territory of which were concentrated such enterprises of processing industry with a developed scientific, technical and technological base, belonging to the military-industrial complex, machine building, instrument making, light and food industries. The structure of the economy of

these territories was formed throughout the period beginning from the late XIX century to the middle of the XX century, with different stages of industrial development. [2]

The extractive depressive regions included localized resource-producing territories, especially mining and timber industries, located in sparsely populated areas. These regions, as well as old-industrial ones, were characterized by a fairly developed economic potential with a significant share of industry in the economic structure, highly skilled labor resources, but due to the disruption of supply and raw material relations or changes in the development strategy, as well as the low competitiveness of core industries had problems in the form of deep economic recession, high unemployment, especially structural unemployment, rather low indicators of investment activity of the level of financial and budgetary support of the economy. Depressive regions of the old industrial and extractive types belonged to the group of low-income regions with high poverty rates according to the level of per capita purchasing power of money incomes.

IV. Discussion

I. Subsection One

Regions of the Central Black Earth Economic Region, republics of the North Caucasus and South Siberia, where stagnation of socio-economic processes was noted as a consequence of a combination of typical agrarian specialization and industrial backwardness of the region, could be attributed to the number of agrarian-industrial depressive regions, despite some difficulties in classification due to the fact that the agricultural sector in most Russian subjects, neither in terms of production volume, nor in terms of share in the gross regional product, did not occupy leading positions. [2]

It should be noted that in addition to the above classification of depressed regions, there were others. Thus, in 2005 the Ministry of Regional Development of the Russian Federation developed a new typology of Russian regions, in which all subjects, based on the basis of development, the degree of involvement in global development processes such as globalization, urbanization and neo-industrialization, were grouped into 4 main types and 7 groups based on expert assessment with the analysis of indicators of socio-economic development of the subjects of the Russian Federation. In depressive regions, according to this classification, there was a significant economic decline in the main branches of the economic sphere over the last 10 years and lower level compared to the average analogs in the country of many economic indicators, while in the past these territories were economically developed, occupying prominent places in some positions in the country's economy. [7]

In general, in depressed regions there were observed:

- high unemployment rates and, as a consequence, a low standard of living of the population living in these territories;
- significant lag in socio-economic development compared to other regions of the country;
- poor infrastructure provision.

In turn, depressive regions were subdivided into such subtypes as background and crisis. While the background depressive regions had a low standard of living, backward technological base, insufficient market positioning, and a shortage of human resources, the crisis regions were characterized by a rather significant lag behind other regions in terms of socio-economic development, high unemployment rates, poor infrastructure provision and a higher level of social conflicts. Depressiveness of regional development had a direct dependence on the sharp decline in living standards during the years of market transformation.

At the beginning of 2000, the Chechen Republic could also be considered as depressive among the Russian regions that were among the last in the country in terms of socio-economic development, which is confirmed by the data in the table below.

Table 1. Main socio-economic indicators (2005 results)

Key indicators	Number of registered unemployed in % of economically active population	Area of housing stock per capita	Industrial output per capita, thousand rubles.	Share of pupils studying in the second shift, %	Number of hospital beds per 10,000 people.	Proportion of population with incomes below the flow minimum
Russian Federation	2,6	19.2 (18 is the norm)	78,1	19,8	116,0	17,8
Southern Federal District	5,9		24,8	25,2	105,2	37,3
Chechen Republic	78,9	11,7	9,7	54,8	68,9	90,0

Analysis of the data in the table shows that the Chechen Republic lagged far behind in all the most important socio-economic parameters in comparison with the all-Russian average and the average for the Southern Federal District (SFD), of which it was then a part. For example, by the end of 2005, the regional indicator of the number of registered unemployed was more than 30 and 13 times higher than the national average and the average for the Southern Federal District, respectively; the share of the population with incomes below the subsistence minimum was more than 5 and 2 times higher than in the country as a whole and in the Southern Federal District, respectively, etc.

The reasons for this negative socio-economic state of the Chechen Republic were to be found in the political and economic restructuring that began in the USSR and the anti-terrorist operations of the last decade of the 20th century, which resulted in the final destruction of the regional economy. The economic crisis in the republic began even before the anti-terrorist operations began, with the rise to power of new persons whose aims were far from the interests of the Chechen people. While the pre-war economic crisis was manifested by a decline in production and living standards, rising unemployment and crime rates, during the anti-terrorist operations many of the region's industrial and social infrastructure facilities were virtually destroyed.

The unemployment rate in the republic, which by the mid-2000s reached about 80% of the able-bodied population, was the highest compared to other regions of the country, and the situation was aggravated by the fact that there were positive dynamics of demographic processes due to the growth of the birth rate, as well as the return of refugees and forced migrants to their homeland due to the cessation of anti-terrorist operations. By the beginning of 2005, according to the data of the Ministry of Labor of the Republic, the number of unemployed able-bodied population reached 400 thousand people, i.e. 62% of the labor resources and almost 69% of the economically active population of the region. This situation, in which the labor market in the republic found itself, could be generally considered as a crisis. In August 2005, at a meeting of the Government, when approving the draft federal budget for 2006-2008, German Gref pointed out that 91% of the population of the Chechen Republic was officially below the poverty line. At the same time, according to the minister, in the Khanty-Mansiysk and Yamalo-Nenets Autonomous Okrugs this indicator was the lowest in the country - less than 7%, and the main reason for the extremely low incomes of the region's population was unemployment. [9]

It is worth noting that the deficit of jobs was the most pressing problem for all regions of the Southern Federal District. This was especially true for the republics in which the number of working-age population was two to three times higher than the number of available jobs. In all the republics of the North Caucasus, the load of the unemployed population per vacancy was significantly higher than the national average. Thus, in 1999 in Ingushetia this indicator reached 184.4 people, in Dagestan 32.3, 20.3 in Kabardino-Balkaria, while the all-Russian 2.4 people per vacancy. [10]

One of the sides of this problem for the Southern Federal District was the employment of graduates of higher educational institutions. Thus, in 2004, when analyzing the need for specialists with higher education it was revealed that for the last five years the labor market annually increased by about one hundred thousand only at the expense of university graduates, and most of them had humanitarian and socio-economic specialties, thereby worsening the already difficult situation in the sphere of employment of specialists of higher and middle levels. Thus, for example, in 2003 state and non-state higher education institutions of the Southern Federal District graduated 38.2 thousand people in these specialties, while the demand for them, according to the data of employment services, was only 14.5 thousand people. In some regions the spread was even higher: 9 times the excess was reached in Karachaevo-Cherkessia, 7 times in Ingushetia, 4 times - in Rostov region. [11]

II. Subsection Two

In the mid-2000s, the Chechen Republic lagged 7-8 times behind the Russian average in terms of per capita income. At the same time, the consumer market was only one-quarter supplied with local goods, and therefore the increase in incomes, including through allowances and compensatory payments, did not sufficiently stimulate the growth of production in the republic, and at the same time, despite the low incomes of the population, the cost of living here was noticeably higher. [11] Thus, in the 4th quarter of 2005, the minimum subsistence level for this region was set at 2793 rubles, which was slightly more than the size of the pension for disabled people of the second degree and noticeably lower than the subsistence level even in comparatively poor and small Ingushetia, while the average per capita income of the Chechen Republic was 512 rubles. And more than a third of Chechen families had to live on such an income. [12]

Various social transfers such as pensions, allowances, compensations, etc., assistance from relatives, and income from subsidiary and personal homestead farms were of great importance in ensuring the livelihood of households in the region in the face of high unemployment in the period under consideration. Support from relatives, mostly from those who had managed to find good jobs outside the republic, both in other Russian regions and abroad, was also an important source of survival. As is well known, kinship ties are highly valued in Chechen society, and close ties with parents remain with children until the end.

As we have already mentioned earlier, employment in subsidiary and personal household farms contributed to the survival of the region's population. It should be noted that in the conditions of fragmentation and changes in the existing production structures, personal subsidiary (household) farms of rural residents begin to acquire great importance as a source of agricultural products and concentration of a significant part of production resources and activities. Personal subsidiary farms become for many rural residents the only way of life support and livelihood. Thus, according to researchers' calculations, if properly managed, a plot of land of 6 hectares can provide a family of four people with vegetables, potatoes and fruit and vegetable products, in this regard, the training of rural residents, especially young people, agricultural knowledge and improving the culture of agricultural production are considered as an important direction of social policy in rural areas. [13] Personal subsidiary farms are more resilient and adapted to the market compared to large-scale production. In conditions of economic crisis, home agricultural production is beginning to play an important role in the survival of the majority of not only rural but also urban residents.

On February 19, 2007, in the session hall of the Ministry of Finance of the Chechen Republic in the framework of the round table entitled “A New Economic Strategy for the Chechen Republic”, it was pointed out that it was necessary to elaborate and start implementing a long-term development program for the republic based on the current socio-economic situation. Employment growth was the main condition for increasing the population's income, which, in turn, was impossible without the corresponding development of production and social infrastructure. Of great importance in improving the quality of life and the development of many industries, especially those based on the use of natural resources (oil production, agriculture, forestry, tourism, recreation) was the need to restore the natural environment and its protection. [14]

The implementation of program activities in accordance with the planned goals and objectives allowed the leadership of the republic to increase real incomes of the population by the end of 2010 in 1.3-1.5 times, nominal average monthly accrued wages - in 1.7 times, the level of officially registered unemployment decreased by 2 times compared to 2005. [15]

The Russian Federation Government Resolution of April 15, 2014 approved the state program “Development of the North Caucasus Federal District until 2025”, the main purpose of which was to improve the welfare and quality of life of the population of the republics that make up the North Caucasus Federal District, ensuring the reduction of their lagging behind the average Russian level

Necessary for the solution of this problem was the formation of a dynamically developing and competitive economy, which, in turn, provided for:

- increasing investment activity and attractiveness of the republics of the North Caucasian Federal District;

- formation of modern tourist infrastructure of tourist-recreational special economic zones on the territories of the republics of the North Caucasus Federal District, Krasnodar Krai and the Republic of Adygea;

- increasing the number of beds in collective accommodation facilities in such a specially protected ecological resort region of the country as Caucasian Mineral Waters;

- creating new jobs in competitive sectors of the economy and reducing the unemployment rate;
- ensuring an increase in the population's monetary income and reducing the unemployment rate;

- modernization of health care, education, social protection and social services;

- Ensuring accessibility of medical care for the population at all stages and preschool education services;

- creating conditions for increasing the birth rate and life expectancy of the population, increasing the share of students studying in the first shift in general educational organizations. [16]

In general, it should be noted that the state measures to achieve sustainable socio-economic development of the region, taken within the framework of the noted program can be considered effective. Thus, the gross regional product in 2022 amounted to 268068,5 million rubles, which exceeded the 2005 figure by more than 11 times; the gross regional product per capita increased from 20038,4 rubles in 2010 to 177859,9 rubles in 2022, i.e. by almost 9 times; the volume of agricultural production in 2023 amounted to 50861,0 million rubles, which was more than 11 times higher than in 2005; investments in fixed assets increased 9 times since 2005, reaching the mark of 119515.31 million rubles; the number of officially registered unemployed from 332.7 thousand people in 2005 decreased to 51.8 thousand people in 2023, i.e. by 84%. [17] Based on the world experience, it can be noted that significant economic successes are achieved only by such territories, in which management mechanisms based on the principles of social justice, pursue the goal of creating equal conditions for sustainable human development, contribute to the development of his intellectual and physical abilities, the growth of the quality of life of the population as a whole.

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