

The Formation of Priority Directions of Social and Economic Development of the Region

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Abstract: In this paper socio-economic development of the regions of Russia is investigated. The indicator for assessing socio-economic efficiency in the region is proposed. It reflects the final quantitative assessment of compliance of the most important social indicators: life expectancy - the quality of life in the socio-economic system of the region. An assessment of socio-economic efficiency the Belgorod region is done and the expected forecast of economic and social indicators in the region is drawn up. Basic directions of regional innovation and industrial policy, aimed at improving the management of socio-economic development of the region, are formulated. The priority strategic directions of development of the region and the challenges to ensure their implementation are determined. Key measures which should be appropriate undertaken to improve the utilization of the economic potential of the region and indicators of industrial production and diversification of the regional economy, are outlined. Expected results of development of industrial production in the Belgorod region are listed. Perspective directions of regional investment policy and real plans of strategic specific investment projects in the Belgorod region are considered. In addition, consolidated directions of development of the agricultural sector and improvement of social indicators in the region are summarized. The main objectives of the regional policy in the banking sector and the directions of regulation of credit institutions, allowing to achieve cost reduction and improve competitiveness are identified.

Key words: Socio-economic development • Region • Efficiency • Quantitative assessment • Indicator • Regional policy • Economic potential.

INTRODUCTION

One of the most urgent problems today is to find ways of socio-economic development of Russia. At the same time it is currently required to search for comprehensive way of solving economic and social problems in the context of globalization and the transition of countries and regions to the model of sustainable socio-economic development.

Problems of social and economic development are closely dependent on the economic, social, political and other processes taking place both in the regions and in the Russian Federation on the whole.

Functioning of any region is due to economic and social factors. The qualitative side of social and economic efficiency is characterized by the concept «social and economic welfare of the region».

From the point of view of economic theory, the main indicators of social and economic efficiency are the gross domestic product (GDP) and gross national product (GNP).

Social and economic efficiency has two aspects - social and economic. The social aspect is the subordination of the goals of economic growth to the priorities of social development. The economic aspect is concluded in the accordance of the final results to the specified parameters of economic development as in the country on the whole as in the region [1].

Economic component of efficiency is the material basis for improving the quality of life and enhancing the level of wealth. The successful functioning of the economic subsystem improves the quality of life and welfare of every member of society and is an initial parameter of life of the state [2].

MATERIALS AND METHODS

To evaluate the effectiveness of regional development should have one or more integrated indicators (factors), which are sufficiently sensitive to changes in the socio-economic situation and measurable.

We define a system of integrated indicators (factors) to make possible an assessment of the social and economic efficiency of the region and use it in the future as a tool to assess the activity of performance management, responsible for the development and implementation of social and economic policy.

Among the main indicators of the level of socio-economic development of the region, we can identify a number of economic (gross regional product, industrial production, turnover of wholesale and retail trade, etc.), social (income levels, quality of life, literacy, etc.), demographic (rate of natural increase, net migration, life expectancy, etc.) indicators. Each of them really characterizes the level of social development from a one side or another. However, none of the indicators reflects the effectiveness of socio-economic development of the region in general [3].

The content of the social and economic efficiency (SEE) at the regional level in a formalized form can be represented by the following set of parameters:

$$SEE_{MIP} = LEP_i \times MIPcap_i \quad (1)$$

where SEE_{MIP} - socio-economic efficiency of monetary income of the population per capita,
 LEP_i - life expectancy of the population,
 $MIPcap_i$ - monetary income of the population per capita.

$$SEE_{DI} = LEP_i \times DIcap_i \quad (2)$$

where SEE_{DI} - socio-economic efficiency of disposable income,
 $DIcap_i$ - disposable income per capita.

$$SEE_{ANMW} = LEP_i \times ANMWcap_i \quad (3)$$

where SEE_{ANMW} - socio-economic efficiency of average nominal monthly wage per capita,
 $ANMWcap_i$ - average nominal monthly wage per capita.

$$SEE_{AD} = LEP_i \times ADcap_i \quad (4)$$

where SEE_{AD} - socio-economic efficiency of the average deposit per capita,
 $ADcap_i$ - average deposit per capita.

$$SEE_{SL} = LEP \times SLcap_i \quad (5)$$

where SEE_{SL} - socio-economic efficiency of the subsistence level,

$SLcap_i$ - subsistence level per capita.

In the calculation of the integral indicator of socio-economic efficiency all the components are taken into account:

$$SEE = LEP_i \times (DIcap_i + ANMWcap_i + ADcap_i + SLcap_i). \quad (6)$$

The proposed indicator reflects the final quantitative assessment of compliance of the most important social indicators: life expectancy - the quality of life in the socio-economic system in the region [4].

RESULTS

Let's Consider an Example of the Belgorod Region

As we can see from the calculation of the data in Table 1, the integral indicator of socio-economic efficiency increased during the analyzed period. Overall, for the three years studied the growth rate was 150.2%. Of interest are structure factors - indicators that are most affected by the socio-economic performance.

The largest share in the growth of social and economic efficiency region takes an integrated indicator of deposits per capita. The negative impact on the effectiveness provides a subsistence level.

Another important indicator which determines the effectiveness of the social and economic system of the region can be identified as «Life expectancy - gross regional product per capita». The index "Life expectancy - gross regional product per capita" reflects the final assessment of the accordance of life expectancy to the level of quality of life achieved by socio-economic system [5].

The content of the efficiency of the economy is full of interrelated, complementary, but relatively independent elements: final result of social subsystem - the duration of human life and the output result of the economic subsystem - per capita gross regional product (GRP per capita). The apparent advantage of this indicator is that it is the final output indicator of socio-economic system, which reflects all the intermediate effects of social and economic subsystems. Thus, we propose to consider another indicator "Life expectancy - gross regional product per capita" ($SEE_{LEP-GRPcap_i}$). The form of the efficiency $SEE_{LEP-GRPcap_i}$ is the composition of social and economic characteristics of the system in a whole.

Table 1: Assessment of the socio-economic efficiency of Belgorod region

Indicator	2009	2010	2011
Life expectancy of the population, years	71.1	73.1	74.8
Disposable income per capita, $Dicap$, thousand rubles/person	14.0	16.6	18.8
SEE_{DI} , thousand rubles/person	995.4	1 213.5	1 406.2
Average nominal monthly wage per capita, $ANMWcap$, rubles	14 061.0	15 938.4	18 294.9
SEE_{ANMW} , thousand rubles	999.7	1 165.1	1 368.5
The subsistence level, $SLcap$, rubles	4 167.0	4 559.0	5 295.0
SEE_{SL} , thousand rubles/person	296.3	333.3	396.1
The average deposit per capita, $ADcap$, thousand rubles/person	28.9	33.5	44.9
SEE_{AD} , thousand rubles/person	2 054.8	2 448.9	3 358.5
Integrated indicator, SEE	4 346.2	5 160.8	6 529.3

Table 2: The expected forecast of economic and social indicators of the Belgorod region *

Indicator	2012	2020	2025
GRP, % compared to 2012. in comparable prices	100	155.5	in 2 times
GRP per capita, thousand rubles at current basic prices	388.2	799.4	1 188.9
Investment in fixed assets, % compared to 2012. in comparable prices	100	152.3	in 1.8 times
The share of the population with incomes below the subsistence level in the total population, %	8.5	3.5	1
The growth of real disposable income, % compared to 2012	100	in 1.6 times	in 2 times

*Calculated on the basis of Strategy for socio-economic development of Belgorod Region until 2025.

There are several blocks of efficiency to improve the social and economic efficiency of the region. Thus, the block of the efficiency of the structure of the economy includes the protection of the interests of the region, an increase in cooperation between the organizations. At the same time the evaluation of the results must take into account the growth rate of GRP, the share of agriculture in gross regional product, the share of manufacturing in GRP.

Block of labor efficiency offers support of highly qualified personnel, the introduction of labor-saving technologies. Block of social efficiency of the region studies human capital, quality of life, cultural development and social services [6].

Having evaluated the effectiveness of region indicators, we have made the forecast of these indicators for a further period, which is presented in Table 2.

Thus, the accumulated stock of strength and implemented measures for modernization and innovative development of the regional economy allow predicting the growth of gross regional product. in comparable prices 155.5% compared to 2012 and an increase in 2 times in 2025. As a result of rapid growth of GRP compared with the growth of the region's population in 2020 GDP per capita will increase by 2 times compared to 2012 and by 3 times in 2025 and will amount to 799.4 thousand rubles in 2020 and 1 188.9 thousand rubles in 2025.

The index of industrial production in 2014 compared to 2010 will increase by 31.4%. The growth of industrial production by economic activity "Mining" for 2011-2014 will reach 126.3%, "Manufacturing" - 134.1%.

It will be continued in the region to carry out a work aimed at improving the investment attractiveness in the region. As a result of the implementation of measures to improve the investment climate and the development of the construction industry of the region investment in fixed assets will increase in the medium term by 1.5 times by 2020 and 1.8 times by 2025 compared to 2012.

Proposals: This forecast is impossible without the implementation and improvement of measures aimed at improving the performance of the Belgorod region and sustainable socio-economic development in the long term.

High results of socio-economic development of the region can be achieved only with regional innovation and industrial policy coordinated at all levels of government, which applies effective mechanisms for its implementation in the following main directions:

- Formation of organizational conditions for the establishment and improvement of regional innovation system (RIS) and the development of scientific and technological potential of the enterprises of the region.
- Reforming and modernization of enterprises producing products with a high added value.
- Identification of staffing requirements, improving their skills.
- The development of inter-sectoral cooperation and subcontracting.
- The development of public-private partnership in the industrial and innovation.

- Creation of favorable conditions for the development of private enterprise in the sphere of innovation [7].

To improve the social and economic indicators it is necessary to determine strategic priorities of regional development and objectives to ensure their implementation.

Maintenance of competitiveness the region's economy by passing to innovative socially-oriented type of development in the context of globalization of the Russian economy:

- Sustainable innovative development of the region through the balanced development of economic potential, social welfare and environmental conservation;
- Increasing the competitiveness of products, goods and services of regional producers on the basis of the development of innovation and technology, the modernization of existing facilities, providing the ability to integrate into the global economy;
- Structural diversification of the regional economy based on innovative technological modernization, identification of priority sectors and segments of specialization, the development of new innovation-oriented industries;
- Forming of regional clusters, allowing to intensify economic growth and competitiveness of the region on the whole, to induce a significant increase in added value, including through a multiplicative effect;
- Formation and development of a model of a balanced spatial development by improving the system of settlement and the distribution of productive forces, the intensive development of agglomerations, new territorial centers of growth and enhancing the homogeneity of socio-economic development of municipalities and urban districts by maximizing realization their full potential and advantages;
- Increase of stability of the regional economy by improving the conditions and stimulating the development of small business and its transition at a qualitatively new level of participation in the formation of the gross regional product;
- Highly competitive agricultural production on the basis of financial stability, modernization and intensification of production, conservation and reproduction of using and other natural resources [8].

The formation of favorable social environment and creation of conditions for effective realization of human potential and ensure the quality of life, based on the dynamic development of the economy of the region, including:

- Rapid growth of branches of economy, ensuring human development, based on the upgrading and development of health, education, make housing more affordable, ecological conditions of human life;
- Development of demographic potential of the region, promotion of recovery birth rate, creation of social and economic conditions for the further population growth, support for young families and young people;
- Development of multi-level system of education on standards of the new generation, meeting the requirements of the innovation economy, the contemporary needs of society, every man and improvement of the target contract specialists training to meet the needs of enterprises and organizations of the region to achieve a balance between the labor market and educational services;
- Improvement the health of the region's population, the promotion of healthy lifestyles, increasing of life expectancy, based on systemic changes in the organization of medical care and the development of a network of health facilities equipped with the latest equipment that use high-tech methods of treatment, as well as strengthening of mass physical culture and sports;
- Achievement of qualitative changes in the level of financial security and social wellbeing of the region's population, the formation of the mass middle class;
- Creation of a flexible labor market, providing full and effective use of the labor potential of the region;
- Formation of common cultural space of the region, promotion of diversity and high quality of service culture, preservation and popularization of cultural heritage, strengthening of moral values of region's population;
- Creation and improvement of legal, economic and organizational conditions and mechanisms to ensure quality of life for young people in the region;
- Increase in the rate of housing construction, including individual, engineering infrastructure of districts of residential development;
- Social equipping of rural settlement with a level of comfort not below the city through the development of multi-functional rural clusters;

- Reconstruction of the environment favorable for human life, improving the level of public safety of the region [9].

Formation of institutional environment which induces an innovative activity and raising capital in the economy and the social sphere, due to:

- Development and introduction of new mechanisms of state regulation and management of social and economic processes, a systematic approach to the solution of social and economic problems with program-target method and project management;
- Formation of a strategic management system, which allows to ensure harmonious development of institutions to harmonize social, economic and fiscal policy in solving systemic problems and searching for the answer to external challenges in the global economy;
- Formation of a system of institutions and institutional environment of innovative development for consistent and effective policy regulating the social and economic aspects of the development of the region;
- Development of efficient regional innovation system (RIS) for the generation, dissemination and use of knowledge, translating them into new products, technologies and services in all sectors of society and to create a favorable external environment, the formation of internal incentives for the growth of human capital, technological upgrading of traditional industries and the industries of the new economy;
- Development of public-private partnership in the implementation of economic and social policies and improving feedback mechanisms between government and business with the formation of market institutions;
- Conducting of institutional reforms to promote increasing investment in human capital;
- Ensure the quality and availability of public services provided by the executive [10].

Strategic priority of the regional socio-economic policy for the most regions of Russia is to diversify the economy mostly by stimulating the development of small and medium enterprises. Verified forms of its support are: the subsidies to create their own business (grants), subsidies for compensation of expenses to pay interest on loans, guarantees to secure obligations based on credit

agreements (guarantees), the development of the microfinance system, subsidizing the cost of re-training to create their own businesses and others [11].

The principal instruments of regional development are to create budget or development fund which assets should be directed at achieving long-term goals: investment in science and technological development, in the information and computer technologies, in the development of small and medium enterprises, public and professional education.

To improve the efficiency of the economic potential of the region it is necessary to follow the uniform concept of using it. The concept of the effective use of the economic potential of the region should be based on cluster forms of management. Cluster is a network integrated interaction of all its structural elements and processes. Creation a cluster results in a synergistic effect which consists of quantitative and qualitative growth of many components of socio-economic development of the region, defines increasing its competitiveness: a) increase of the number of taxpayers and the tax base and b) increase in the number of jobs, c) the appearance of a convenient tool for communication with business, d) the occurrence of the conditions for the restructuring of the regional economy, e) increase of the investment attractiveness of the region, f) raising of political significance of the region [12].

The most important problem of improving the management of socio-economic development is to improve manufacturing performance. In the Belgorod region it is advisable to perform the following activities:

- To carry out further modernization of production and access to a fundamentally new and innovative technologies of extraction and processing of raw materials;
- To reduce resource consumption and improve the sustainability of production;
- To increase competitiveness by producing products with a high added value [13].

Thus, as a result of the undertaken measures and activities the main results of the industrial development in Belgorod region will be:

- The increase of the index of industrial production by times.
- Creation and introduction of modern technologies in mining and metallurgy.

- Involving of new mineral deposits in economic circulation.
- The creation of new highly paid jobs.
- Increase the revenue base of the consolidated budget.

One of the most important competitive advantages of the Belgorod region is the presence in the region of fertile black earth soils, increasing the productivity of agricultural enterprises, providing the food industry quality raw material, which generally increases the competitiveness of enterprises of agriculture products.

To achieve these objectives and consolidate the positive trends development of agrarian sector must implement the following measures:

- To improve the reproduction of land and other natural resources used in agriculture, to ensure the transition to biodynamic farming;
- To develop and implement a long-term program of modernization and innovative development of agricultural sectors (crop and livestock), providing state support, the improvement of economic conditions for investment in agricultural production and the development of public-private partnerships and public information support;
- To carry out selective, differentiated innovation policy for different economic structures, for what it is advisable to undertake comprehensive measures for further development of small enterprises and the creation and organization of agricultural cooperatives, innovative updating and increasing the productivity of farms that produce now about a quarter of production;
- To develop infrastructure of agricultural markets and improve the mechanisms of their regulation, to facilitate access to the markets of commodity producers of agricultural products, financial and productive resources in order to create economically active entities;
- To improve the provision of agricultural production by trained staff and develop a unified system of information management, for what a series of measures to improve training, enhance security of agricultural enterprises highly qualified specialists will be carried out;
- To create the conditions for a dynamic and sustainable rural development, improving social and engineering infrastructure, improve social protection of the population;

- To improve the management of agro-industrial complex, with a special attention paid to strengthening the control and coordination of agro units, implementation of the mechanisms of mutually beneficial relations with other agricultural sectors and increasing the role of indicative planning, managing for results and the stimulation of the use of other methods of management [14].

Improving the management of socio-economic development of region should be aimed at improving the investment climate in the region and of the investment policy.

The region plans to implement a number of specific investment projects of strategic importance. In general, considering the innovative socially-oriented variant of development it is expected to increase the competitiveness of local producers of steel, resulting in reduction of imports and increase exports of products with high added value in the country [15].

Regional Investment Policy Can Have the Following Main Areas:

- Inclusion the region into a single inter-regional and international space;
- Active promotion of the region as a promising area for business development;
- Transition to a qualitatively new level of information security of investment process;
- Implementation of measures for the development of the business infrastructure and logistics;
- Further development of innovative active environment;
- Development of public-private partnership through the creation of venture capital funds, business incubators, industrial parks, industrial production zones.

In addition, as the investment policy instruments should serve regional cluster approach to the development not only of the real economy, but also the social sphere. At the same time the interaction of government and business strengthens in the following measures: development and implementation of targeted programs and projects aimed at increasing the income potential of the consolidated budget, facilitating alignment of effective communication between enterprises and organizations within clusters to develop a unified marketing strategy and positioning standards markets,

support for conferences, trade fairs, forums, meetings, workshops, promoting the development of contacts with members of small business clusters [16].

To Improve and Develop Social Indicators it Is Necessary to Ensure:

- Vertical alignment of a single social policy in accordance with the legislative division of powers of three levels of government: 1) urban or rural settlement, 2) municipal district or city district and 3) the region;
- Horizontal integration of different organizations and social institutions by developing targeted programs and projects;
- Creation of the resource provision of the operation of the clusters by forming resource complexes that combine the funds for social programs of all budgets and extrabudgetary sources;
- Formation of a system of information and analytical support for the functioning of components of a multi-component cluster in a regional information and analysis system (RIAS), which will ensure the effective exchange of information between the cluster components at different levels of management.

The interaction of the components of the cluster at the level of urban and rural municipalities and urban districts is implemented by local authorities, dealing with social sphere, coordination at the regional level by the relevant executive authorities of the region and the regional government.

Measures to improve the management of socio-economic development of the region should contribute to the harmonious development of the banking system to ensure the economic and industrial needs of the region [17].

In order to reduce costs and increase competitiveness of credit institutions legislative and executive authorities of the Russian Federation and its members must: provide benefits to credit institutions in order to enhance the investment process and the exercise of mediation, to create a system of state support for small and medium-sized banks in the region, serving small and medium-sized enterprises in the region, as well as working in small municipalities; to create a mechanism for promoting the opening of branches, representative offices and cash offices of credit institutions in municipalities far from regional centers to ensure the availability of banking services for individuals and businesses and others.

The Main Objectives of Regional Policy in the Banking Sector Are:

- To contribute to the growth of demand for credit of the banking system of the real sector through the implementation of measures aimed at reducing inflation and ensuring of predictable macroeconomic parameters and the dynamics of the national currency;
- To form a modernization policy priorities in the region, considering its historical expertise and perspectives of development of new industries;
- To develop a set of measures for the formation and development of competition in the regional banking markets and create conditions for the development of financially sustainable credit institutions operating in the regional market, regardless of the size of its share capital, etc.

Control of bank liquidity has key importance not only to ensure stable and efficient operation of commercial banks and the banking system on the whole, but also to create conditions for socio-economic growth and competitiveness of the national and regional economy.

In conditions of openness and globalization of the financial sector it is required a risk-based approach to management of banking processes, including the management of liquidity risk. The concept of risk management should be designed to ensure an optimal balance of risk and return, minimizing potential losses. To improve the management of liquidity risk, regional banks may use the method of mapping risks.

A method for constructing a risk map reveals the most significant risks for banking organizations in the region which affect the cash flows, determines the type of risk and its causes, interprets and determines the extent of its influence, as well as the probability of occurrence. Overall assessment of liquidity risk can be conducted on a few parameters, but the main is the magnitude and probability of occurrence [18].

CONCLUSION

In general, the proposed measures to improve the management of socio-economic development of the region combine priority directions and specific recommendations for implementation.

Implementation of the proposed directions of socio-economic development makes it easier to overcome a number of long-term systemic

problems, to improve the economic and social indicators in the region, to reach a higher level of development.

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