

Asymmetries of the North Caucasus Federal District Subjects' Social Ecological Economic Development Under Macroeconomic Tendencies

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The paper explains reasons of unequal social ecological economic development of the territorial and economic systems. It is concluded that national security threats associated with the economic space polarization, arise in case of territorial justice laws violation, and when contrast in the basic characteristics of the life standards reaches a critical peak in the "growth poles" and a minimum in the "periphery".

Key words: Spatial polarization, asymmetry, "growth poles", "outsiders",
Regional economy, Concept of leveling development

The dynamics of the region economic development depends on external and internal factors, especially important during systemic, political and economic transformation in the country. One of the most common external tools of impact on the subjects' development is the budgetary policy of the federal government, recently increased its importance in the Russian Federation due to increased redistribution of financial resources from the regions-"donors" to the regions-"dependents" of the country. Another important external factor is the globalization impact and regions' joining to the global integration. The influence of the global economy is unevenly spreading across the country, affecting the largest

cities, regions with production of internationally demanded resources or with favorable geographical location for the development of external relations and the multinational funds influx. The investment attractiveness and consequently attractiveness of labor markets, population income, regional and local budgets depend on the regional economies involvement into the global market of goods and services.

The old settlement system and spatial organization in the Russian Federation were formed randomly and fixed the country raw specialization and transit nature of the development in many regions. Mainly this process is supported by foreign participants interested in this raw functionalization of Russia. The most competitive areas at the world market are enriched with raw materials territories with designing, which intensely absorbed free capital, skilled and mobile labor force and gradually became functioning as "sponsors" of national political processes, turning them for own advantage. The rest regions of the country, with poor infrastructural security, outdated

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technological base, became “outsiders” in the country, able only to meet the minimum life standards at the expense of financial subsidies from the RF federal budget. Spatially the socio-economic development into the transitional period became mosaic: inherited territorial types of regions got new characteristics strengthening interregional central peripheral differences, especially between Moscow and the rest of Russia.

The spatial polarization is explained in the Universal educational dictionary of economy by Ketova N.P. as a common term of a regional economy characterized by objective and subjective factors, increasing the contrast in resource potential volume, possibilities and results of the socio-economic activity of territorial systems²

The issue of the economic space polarization is shown both at the country level and at the regional one. At the regional level, the social ecological economic differentiation process names “regiopolarization”, a term was first introduced by Ye.B. Alaiev⁴ According to Ye.B. Alaiev, regiopolarization means urbanization, i.e. population concentration in the regional centers. However, this term does not consider many additional transformations, such as the economic potential growth, social problem smoothing, reducing of negative demographic and environmental problems - which all together form the potential and competitive advantages of the territorial and economic system⁵

According to R. Nizhegorodtsev, Russian scientist, the spatial asymmetry appears in the regional socio-economic development due to the “average profit rate” law in the economic system of competitive markets, shown in a chance to raise

profit by increasing the invested capital, which contributes to assignment of surplus-value, formed in the labor-intensive production, capital-intensive sectors of the economy, with a high organic composition of capital³ As a result, the economic growth appears faster in the industrialized territorial and economic systems with primary development of capital-intensive industries, and arrears of the main socio-economic indicators can be observed in other regions.

However, a retrospective analysis of the statistical data on economic growth of the territorial-economic systems in Russia testifies an opposite tendency: increased capital-intensive production slows down the region socio-economic development, declining economy, so, the reasons for the spatial asymmetry proposed by R. Nizhegorodtsev are quite disputable.

The “growth poles” causes “distortions” in the economic space development, as they take a larger share of economical, investment and financial resources of the territorial-economic systems, forming a single meso-economical space.

Only homogeneous economic space contributes to progressive economy development. However, there may be a question: can the region police be considered as a factor for the economic space development, as it develops healthy competition between the regions “engines of growth” and “outsiders”?

Some economists support the inequality within a single meso-economic space, which in their opinion, “compresses” the territory, strengthens inter-regional cooperation of the “backward” and more developed territorial and economic systems, integration of social economic

Table 1. Reference and polar values characterizing the life quality in the Russian regions in 2012*

Indicators	Referencepoints		Regional Differences(2012)		Multiplication factor, times
	max	min	max	min	
1. Incomeratiotocostofliving percapita	7,0	0	5,6	0,8	7
2. Share of populationwith incomesabove cost of living, %	100	0	92	13	7
3. Employment rate, %	100	0	98	56	1,7
4. Lifeexpectancy, years	85	25	74	56	1,3
5. Infant mortality	50	5	35	7	5

* The table is drawn by the author according to the RF Ministry of Regional Development data

and environmental processes, delimitation of their boundaries, that contributes to the economic growth of the whole space. [6] However, a single meso-economic space can be considered as an integrated regional reproductive system only when each element of the economic space performs certain functions and has certain competitive advantages required for other links: for example, “growth poles” have the financial and investment potential, but “outsiders” - labor and resource potential to provide reproductive process of the region poles. The interest in integration and collaboration between geographically differentiated economic systems will allow to balance contradictions under polarization of the single meso-economic space.

The Russian region problem is not only in inequalities in the socio-economic development of territorial systems, but in violation of the laws

on territorial justice, in contrast basic parameters of the life standard in the territorial-economic areas included in a single meso-economic space: a critical peak in the “growth poles” and a minimum in the “periphery”.

Polarization of the economic development within the macro-region intensifies social tensions in the most backward regions.

Despite many countries are characterized by the region economic inequality growth, a distinguishing feature of the Russian Federation is a high polarized range between the maximum and minimum rates of the socio-economic development. The indicators characterizing the life quality in the Russian regions can be studied as an example. The difference between the maximum and minimum values varies from two to seven, depending on the type of the studied region and the level of its well-being (see Table 1).

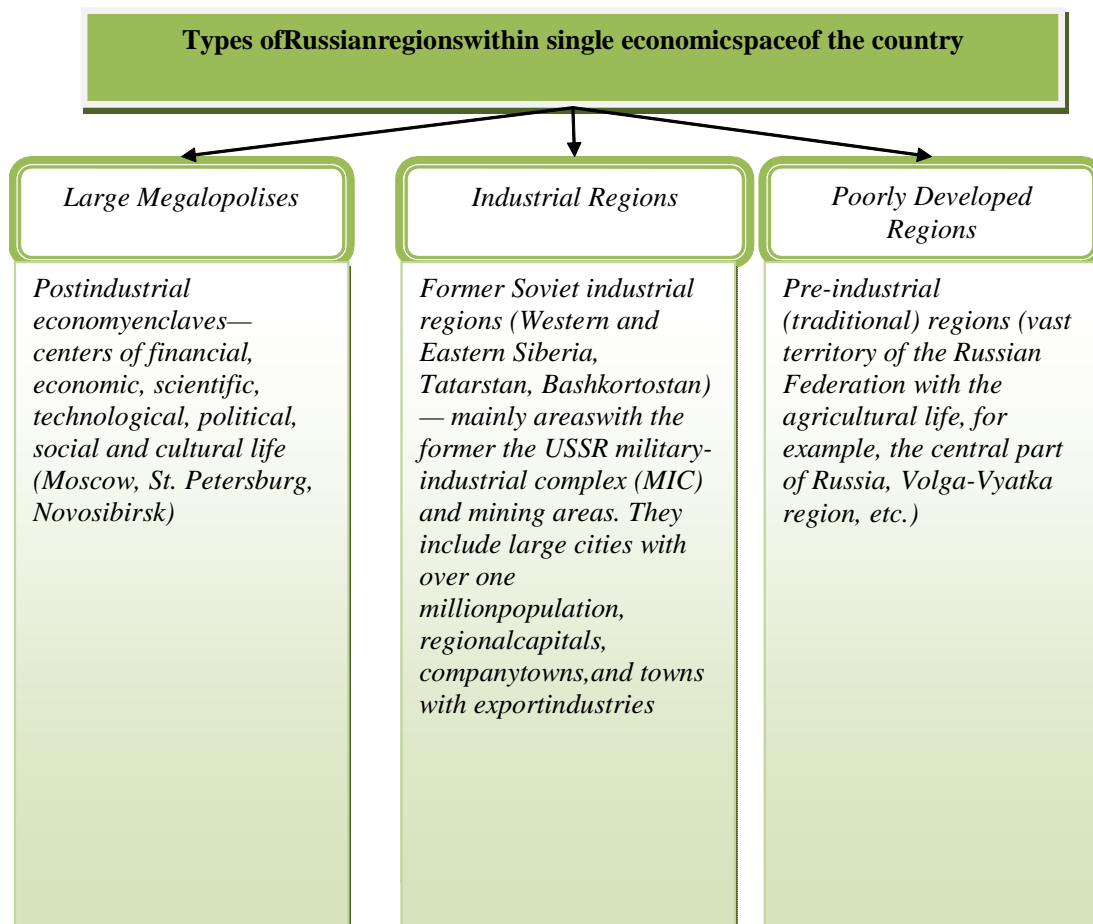


Fig.1. Types of Russian regions as a part of a single economic space in the country¹

Considering the regional polarization of the territorial-economic systems in the Russian Federation, they can be divided into several types, each with certain characteristics and properties, different life standards, social infrastructure development levels, and comfort of anthropogenic habitat, and so on. (see Fig. 1).

Estimation of a range between the maximum and minimum values of the stable development of territorial and economic systems allows us to create a vector - the convergence direction for the regions located within a single economic space.

To smooth inter-regional divergence, the Russian federal authorities prefer the simplest mechanism of intergovernmental relations by strengthening the resource centralization and their redistribution. The main alignment tool is the fund for financial support of the regions (FFSR), supporting about 70 regions of the country. About 20 regions - "engines of growth", including oil and gas autonomous areas do not obtain the FFSR financial assistance.

An attempt to objectively evaluate the effect of supporting of the less developed regions showed the ineffectiveness of the "fiscal equalization" to solve the social inequality problems. Calculations confirmed the growth of the uneven development by most indicators characterizing the regional labor markets.

When economic polarization leaves behind the budgetary redistribution dynamics, the government socio-economic policy cannot be limited by the alignment mechanism to finance the growing social spending in the region. An experience of Western countries allows to conclude that an overall concept of development in a macroregion will contribute to economic growth within the whole studied area. The idea is that the development of certain economic practices in the "growth poles" will boost the potential of the "backward" areas due to the development of other,

related or complementary sectors of the economy. This process is called "agro-polization" in economic geography [4], reflecting the concentration of the agricultural potential of suburbs, located far away from the urbanized "metropolis."

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