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**MITROFANOV Anton Dmitrievich**

**SOCIALIZATION OF THE RUSSIAN REGIONS' ECONOMICS USING THE  
TOOLS OF STRATEGIC MANAGEMENT**

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Scientific adviser:

**Zaripova Dania Anasovna**

doctor of economic sciences, associate professor of the Federal State Budgetary Educational Institution of Higher Professional Education “Kazan State Power Engineering University”, professor of the department of economics and industrial management

Official opponents:

**Lazareva Elena Iosifovna**

doctor of economic sciences, professor of the Federal State Independent Institution of Higher Education “Southern Federal University”, professor of the innovation and international management department

**Kharisova Gouzial Mansourovna**

doctor of economic sciences, associate professor of the Federal State Budgetary Educational Institution of Higher Professional Education “Kazan State University of Architecture and Construction”, professor of the department of economics and entrepreneurship in construction

External reviewer:

**Federal State Budgetary Educational Institution of Higher Professional Education “Tolyatti State University”**

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Academic secretary  
of the dissertation committee,  
candidate of economic sciences, associate professor

I.S.Glebova

## I. GENERAL CHARACTERISTICS OF THE PAPER

**Actuality of the dissertation research.** One of the fundamental areas of the modern society development in the age of formation of the post-industrial economic practice is socialization of economic relations, which supposes satisfaction of the growing needs of population, creation of prerequisites for the formation and effective implementation of the common cultural and professional competences, promotion of health and upgrade of the residential provision and economic security levels. Apart from the upgrade of the human welfare level, enhancement of the social orientation of the society supposes creation of an environment ensuring growth of the common culture level and a change of needs in accordance with the benchmarks of development of the post-industrial economy, which is a necessary condition of development of the labor potential, initiation of economic and social innovations and formation of a pathway of a stable socially focused growth. Thus, socialization of economic relations is a form of manifestation of the modern society humanization processes attributed to the achieved level of development of technological wave and brand new needs of individuals, and is also one of prerequisites for the advancing macro-economic dynamics.

Despite the fact that the certain aspects of the economy socialization processes have been investigated for an extended period of time within the framework of various areas of the scientific knowledge, there are no common interpretations of their contents. It was in many aspects defined by the continuously dominating left-over principle of financing of the social sphere and acknowledgement of its secondary role in the provision for the total income growth, which was reflected in the category of “non-productive sphere”. The change of concepts of the socialization process role in development of the society has led to the change of definitions used in the course of its analysis. The scientific adoption of the “social sphere” category was supported by the development of brand new approaches to the interpretation of consistent patterns of its functioning taken in conjunction with the analysis of the processes inherent in the post-industrial economy. This made it possible to define brand new benchmarks and factors of development of the modern society.

Recognition of the social sphere as an independent subject of research and an independent controllable object is conditioned by an aggregate of the typical signs attributive thereto, and the most important ones include a social structure of the resource potential characterized by a large share of the creative and informative resource in the end product; overexposure of economic and social effects to the nature of interaction between producers and consumers of results of the social sphere functioning; individualization of the end product with a relatively low labor production; restricted market efficiency showing itself in the deviation of the public benefits amount from the equilibrium value, and in the external effects and informational asymmetry. Importance of branches of the social sphere for the

accumulation of human capital assets of all members of society defines an extensive use of standard assessments of results of the social sphere functioning.

Recognizing an increasing role of processes of the economic relations socialization in the provision for an advancing development of the society stipulates a necessity to search tools for their motivation, which, in its turn, supposes accounting of an aggregate of contradictions inherent in the social sphere. According to the official data, the share of services accounts for approximately 60% of the gross domestic product in the Russian Federation, while the share of employees in this sphere accounts for 65% of the total number of employees and it keeps on growing. Alongside this, negative changes of the social sphere structure are observed, which is reflected in reduction of the share of education in the structure of the gross domestic product from 3.4% in 2002 to 2.2% in 2014, the share of healthcare from 4.3 to 3.0% accordingly, and production of the utility, social and personal services - from 1.7 to 1.1%. The given data are considerably lower than the values of the similar indicators in the advanced economy countries<sup>1</sup>. The analysis of reasons, which caused formation of negative trends in the social sphere, and predefined reduction of the labor potential quality, makes it possible to mark the absence of an efficient management system as a key factor. The processes of regionalization of the national economic area came amid the transfer of powers to manage the social facilities to the regional level. However, absence of the management tools adapted to the meso-economic level impedes the formation of regional markets of the social services and implementation of the social innovations, and causes deformation of regional communities, which, in its turn, stipulates growth of the inter-regional differentiation and restricts tempos of growth of the national economy. The necessity to develop flexible regional systems of the social sphere management with due consideration of benchmarks of the social and economic development of the society overall defined a choice of the subject for a dissertation research and its theoretical and practical value.

**The degree of development of the issue.** To confirm the scientific hypothesis of the research the provisions, which were formulated within the framework of the theories defining specialization of regions in the territorial division of labor, and theories defining principles of the production location, were used in the paper. The ideas of mercantilism (J.B. Colbert, T. Moon, V. Petty), theory of absolute advantage (A. Smith), theory of comparative advantage (D. Ricardo), theory of B. Ohlin and E. Heckscher, etc. are the theories of special interest from the perspective of the object and subject matter of research among the theories, which were formed within the framework of the first area. J. Thuene's theory of the agricultural production location, A. Weber's and W. Laundhardt's industry location theory, W. Christaller's theory of the inhabited locality location, A. Loesch's general theory of location, etc. make the

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<sup>1</sup> According to the data of the Ministry of Economics of the Republic of Tatarstan [Electronic resource]. Access mode: [www.gks.ru/](http://www.gks.ru/) Checked as at 1.05.2015.

most considerable contribution to the development of concepts of the objective laws of the regional economy functioning among the theories, which were formed within the framework of the second area.

The investigations of issues of the regional development in conditions of the administrative and planned economy were carried out by the Russian scientists including N.N. Baranskiy, A.G. Granberg, N.N. Kolosovskiy, V.S. Nemchinov, N.N. Nekrasov, A.E. Probst, R.I. Shniper, etc., who basically focused on the issues of the objective laws, principles and factors of the location of production, economic zoning and methods to plan and regulate the territorial development.

Among the modern theories of the regional economy and regional development the innovation diffusion theory (T. Haegerstrand), theories of the territorial organization of economy (A. Weber, D. Smith), hypothetic theory of the "product life cycle" (R. Vernon, S. Hirsch), concept of the "dynamic and segmentation methods of analysis" (R. Walker, A. Scott, M. Stolper, etc.), concept of the "balanced regional development" (G. Myrdal), "growth poles" theory (J. Baudville, F. Perry), "center – periphery" model (J. Freedman), concept of "region studies" (W. Isard), concept of the cluster organization of economics (M. Porter, M. Enright), territorial theory of price and regional markets (O. Courno, P. Samuelson), etc. are of the biggest interest.

The rise to the investigation of the objective laws of the economic process socialization was given in the 19<sup>th</sup> century in the works of the American sociologist F.G. Giddings. The concepts of nature and factors of socialization were considerably developed within the framework of the basic needs concept (J. Tinbergen, Makhabub ul Khak), life quality concept (E.I. Kapustin, A. Maslow, N.F. Reimers, J. Forrester), human capital assets concept (G. Becker, E. Denison, J. Kendrick, T. Schultz), human development concept (A. Sen), etc.

The specifics of functioning of the Russian economy's social sphere are presented in the works of A.I. Dobrynin, V.A. Zhamin, E.N. Zhiltsov, D.I. Pravdin, M.V. Solodkov, V.M. Routgeizer, V.Ya. Yakovlev, etc. The conceptual basis of concepts of the objective laws of the economic relations socialization in the Russian regions are the guidelines of the public benefits theory, which were formulated in the works of A. Atkinson, A. Bergson, K. Wicksell, P. Diamond, N. Caldor, A. Lindall, J. Mirrlees, T. Scitovski, J. Hicks, H. Hotteling, N. Stern, etc.

The tools of the social sphere management at the regional level are investigated in the works of A.M. Babich, N.A. Volgin, V.I. Volkov, G.F. Gorbunov, E.V. Egorov, A.E. Kogout, V.L. Kourakov, K. F. Pouzynua, T.V. Shevtsova, L.I. Yakobson, etc. The authors proceed from different criteria when defining concepts of the social sphere, its structure and management specifics.

The study of the works dwelling on the objective laws of socialization of economic relations and specifics of manifestation thereof in the Russian economy made it possible to conclude that there is no common approach to its interpretation,

there is no efficient scheme of adaptation of the socialization process management tools to the regional level. It defined a purpose, tasks and structure of the dissertation research.

**Purpose and objective of the dissertation.** The purpose of the dissertation is to substantiate theoretical and methodic approaches to the contents of the objective laws and tools of socialization of the regional entities' economy, and to develop practical recommendations aimed at the formation of factors of the stable socially focused development of economy of the territorial entities of the Russian Federation within the framework of the social and economic policy pursued by the regional state governmental bodies using strategic management tools.

The implementation of the purpose of the research predefines the setting and achievement of the following basic **tasks**:

1. To define the essence of the regional economy socialization as a multi-dimensional and multifaceted process and to single out its types.
2. To detect and analyze the forms of implementation of contradictions in the economy socialization processes of the territorial entities of the Russian Federation, to offer a theoretic ad methodical approach of classification of the regions with due consideration of the form of implementation of the detected contradictions.
3. To offer an algorithm of defining the level of the regional economy socialization.
4. To develop a typical matrix structure for management of the process of implementation of the region's social and economic policy, formed based on the application of a framework construction of the balanced metrics.
5. To analyze dependence between the level of satisfaction of the population, implementation of the economic policy measures, region's rating by quality of the population, and quality of implementation of the social and economic policy using a correlation data analysis (in terms of regions of Privolzhsky Federal District (PFD)).
6. To form a model of dependence of the population's satisfaction with the measures of the state management of economy on the level of the economic process socialization.

**The object of the research** is a scheme of socialization of economy of the territorial entity of the Russian Federation.

**The subject matter of the research** is an aggregate of the organization and economic relations established in the process of socialization of economy of the territorial entities of the Russian Federation using strategic management tools.

**The theoretical and methodological base of the dissertation** are the works of the top national and foreign scientists, wherein the fundamental provisions of concepts of stable development, strategic management, theories of the regional economy and regional development, theories of management solutions as well as principles of the social and economic forecasting of the regional development are

formulated. To confirm the current hypothesis of the research a system and a dialectic approach to the investigation of the economic phenomena and processes was used along with the general scientific and special methods. The specifics of the subject matter of the research predefined application of SWOT-analysis, method of analysis of hierarchies, “purpose tree” method, methods of poll (questionnaire, individual and group interviews), correlation analysis as well as modern methods of collection and processing of the statistical information (including the SPSS Statistics) as of special methods as well.

**The information base of the dissertation** consisted of the information of the Federal State Statistics Service and its territorial bodies, materials of the Ministry of Economic development of the Russian federation, the Ministry of Labor and Social protection of the Russian federation, the Ministry of Economics of the Republic of Tatarstan, the Ministry of Labor, Employment of Social Protection of the Republic of Tatarstan, the Ministry for Affairs of Youths and Sport of the Republic of Tatarstan, forecasting and analytical materials of the Development Program of the United Nations (DPUN), RIA Rating Rating Agency LLC, Independent Institute of the Social Policy Autonomous Non-profit Organization, Expert RA National Rating Agency, Social Investments Agency, Investment Portal of the Republic of Tatarstan, etc.

Legal framework is presented by legislative instruments and sub-legislative documents with regard to the issues of management of regional development and social and economic policy, which include: The Concept of the Russian Federation’s Move towards Stable Development (approved by Order No 440 of the President of the Russian federation dated April 1, 1996), etc. Monographs, collective works, publications in periodicals, published summaries of dissertations, materials of the scientific and practical conferences and information resources of Internet Worldwide Network were used as information resources with regard to the investigated issues in the course of preparation of the dissertation research.

**The contents of the dissertation research** meets clause 3. Regional Economy: 3.10. Investigation of the traditional and new trends, objective laws, factors and conditions of functioning and development of the regional social and economic systems; 3.14. Problems of the stable well-balanced development of the regions; monitoring of the economic and social development of the regions; 3.16. regional social and economic policy; analysis of specific features and assessment of efficiency of the regional economic policy in the Russian Federation, federal districts, territorial entities of the federation and municipal units of the Passport of the State Commission for Academic Degrees and Titles of the Ministry of Education and science of the Russian Federation specialties 08.00.05 – Economics and National Economy Management.

**Scientific novelty of results** lies in substantiation of theoretical and methodic approaches to the contents of the objective laws and tools of socialization of economy of the regional units, and also in development of practical recommendations aimed at the formation of a pathway of a stable socially focused development of economy of the territorial entities of the Russian Federation using strategic management tools, which is detailed in the following provisions:

1. The essence of socialization of the regional economy is defined, and it is interpreted as a multi-dimensional and multifaceted process focused on the achievement of an optimal combination of the economic efficiency, social justice and stability of development of the territorial units, which makes it possible to single out the economic socialization supposing implantation of the relevant values into a system of the guidelines exposures of the economic agents (individuals), formational socialization supposing the change of the institutional structure of the regional economy, and the functional socialization supposing the use of the share of the total income of the regional economy as a source of financing of investments into the human capital assets as a factor of the new type of the society' advancing dynamics.

2. The forms of implementation of contradictions have been revealed in the processes of socialization of the Russian territorial entities' economy, which manifest themselves in contradictions between the absolute and relative growth of consumer expenses in case of reduction of the investment expenses in the total amount of expenses of the consolidated budgets; between the growth of amounts of the regional budgets' expenditure powers in case of absence of the relevant income provision, which restricts tempos of growth of the total income; while the regions forming a part of the territorial entities of the Russian Federation have been singled out as characterized by preservation of a high share of the investment expenses within the framework of the regional target programs, high share of the housing and public utilities-related costs and a high share of expenses for development of the social sphere branches, which made it possible to substantiate a theoretical and methodical approach to the management of the processes of the regional economy socialization.

3. An algorithm of definition of a level of the regional economy socialization has been proposed, and it includes the following stages: identification of the socially focused goal of economic development, decomposition and specification considering the "purpose tree" of the strategic management tools' contents; definition of an aggregate of indicators using a model of the balanced system of indicators (BSI); calculation of the integral and local parameters of BSI and construction of a matrix for evaluation of the region's socialization level within the "economic value – social value" coordinates, ranging of the territorial entities of the Russian Federation in accordance with the developed system of indicators; definition of areas of the regional economy socialization based on development of hierarchy of goals and

detection of benchmarks of development using a strategic map and the bank of the socially focused projects.

4. A typical matrix structure to manage the process of the implementation of the social and economic policy of the region has been developed; it has been formed based on the application of a framework construction of the balanced system of indicators and is focused on the provision of a parity of powers and responsibility of the executive authorities on the federal and regional levels in the process of making of administrative solutions with regard to the implementation of the mesoscale social and economic policy.

5. Strong dependence between the level of the population's satisfaction with the implementation of the economic policy measures, region's rating by quality of the implementation of the social and economic policy, as well as satisfaction of the population with the social policy measures and quality indicators of the social and economic policy implementation and the balance of powers and responsibility of the federal and regional governmental bodies for the implementation of this policy has been proved using a correlation analysis of data for the implementation of the social and economic policy in the regions of Privolzhsky federal district.

6. A linear model of dependence of satisfaction of the population with the economic policy on the quality of the social policy implementation has been formed (this independent variable explains 69.05% of variability of the dependent variable) along with a model of dependence of satisfaction of the region's population with the social policy measures on the level of the balance of powers and responsibility of the federal and regional governmental bodies for the implementation of the social and economic policy (this independent variable explains 65.72% of variability of the dependent variable).

**Theoretic and practical importance of the work** lies in the fact that the basic conclusions add to the theory of socialization of economy and the theory of stable development with due consideration of social sphere's role in the formation of a new quality of the economic growth. Theoretical provisions, methodic approaches and practical proposals presented in the dissertation are aimed to consolidate the social focus of measures of regional management of the regional economy, and to form a pathway for a stable development of the regional units with due consideration of interests of the society, business and state. The methodic approaches to the definition of a set of indicators of the regional economy socialization and an algorithm of the administrative decision making using the tools for strategic management of decisions, formulated in the dissertation may be used by the state administrative bodies for development of strategies and programs of stable development of the region.

The dissertation materials may be used in the academic activity in the teaching of such courses, as Regional Economy, Macroeconomic Planning and Forecasting of Regional Development, State Management of Economy, etc.

**Approbation of the research result.** Basic provisions and conclusions of the dissertation are stated and discussed and have been approved at the international, Russian, republican and scientific and practical conferences including the Russian scientific and practical conference “Modern Problems of the Social and Humanitarian Sciences” (Kazan, 2015), 3d international scientific and practical conference “Stable Development of the Territory: Problems and Prospects of the Provision” (Penza, 2015), 2d international contest of the research works “Prospects of Science– 2015” (Kazan, 2015), etc.

There are 8 publications on the subject of the dissertation of 2.53 printed sheets in total including 3 articles in the journals “Horizons of the Economy” “Today and Tomorrow of the Russian Economy. Scientific and Analytical Compilation” recommended by the State Commission for Academic Degrees and Titles at the Ministry of Education and Science of the Russian Federation for publication of the materials for candidate and doctoral dissertations.

The developed theoretical provisions and practical recommendations are implemented and used in the activity of Kazenergo OJSC for development of the development strategies as well as in the academic activity of the Federal State Budgetary Educational Institution of Higher Professional Education “Kazan State Power Engineering University”, which is confirmed by the relevant certificates.

**The structure of the dissertation** is defined on the basis of the goal and tasks set therein. The dissertation consists of the introduction, three chapters containing eight paragraphs, conclusion, list of the used literature and appendices.

*The introduction* substantiates urgency of the subject of the research, discloses the extent of development of the issue in the national and foreign economic literature, defines the goal and tasks, object and subject matter of the research, theoretical and methodological basis of the research and its information base, represents the scientific novelty and practical importance and contains information on the approbation of results of the research and its structure.

*The first chapter “Theoretical and Methodical Approaches to the Investigation of the Objective Laws of Socialization of the Regional Units’ Economy”* shows evolution of concepts of the essence of the meso-economic system socialization processes; substantiates the author’s interpretation of the category “socialization of economic relations in the region”; defines a set of the strategic management tools recommended for the formation of the regional management measures for the socialization processes in the regional units’ economy.

*The second chapter “Analysis of Influence of the State Management measures Using the Strategic Management Tools on the Level of Socialization of Economy of the Territorial Entities of the Russian Federation”* offers an algorithm of definition of a level of the regional economy socialization based on the application of the framework construction of the balances system of indicators; detects the specifics of

the socialization processes in the Russian regions (as exemplified by Privolzhsky Federal District) and defines a set of the strategic management tools used for development and implementation of the social and economic policy in the territorial entities of the Russia Federation.

*The third chapter “Modeling of Dependence of Satisfaction of the Region’s Population with the State Management Measures Aimed at the Consolidation of the Social Focus of the Regional Economy”* contains an analysis of the goals, tasks and tools of the social and economic policy implementation in the regions of the Russian Federation; detects the specifics of the social and economic policy in the regions of Privolzhsky Federal District (PFD); contains a developed forecast of the population’s satisfaction with the results of the regional management with due consideration of the level of the regional economy socialization.

*The conclusion* contains the formulated basic conclusions and results of the dissertation.

## **II. MAIN PROVISIONS PUT TO DEFENSE**

**1. The essence of the regional economy socialization has been defined and it is interpreted as a multidimensional and multifaceted process focused on the achievement of an optimal combination of economic efficiency, social justice and stability of development of the territorial units.**

The analysis of the alternative approaches to the analysis of the socialization processes made it possible to draw a conclusion regarding an inter-disciplinary nature of knowledge reflecting their essence. Socialization as an economic theory reflects a multidimensional and multifaceted process focused on the achievement of an optimal combination of the economic efficiency, social justice and stability of development of the regional units. Plurality and multi-directionality of the social and economic development tasks stipulates complexity of the formation of an efficient system of regional management, which must provide for the production of the maximally possible amount of resources with the current amount of the limited resources of the social and environmental value being available, while preserving incentives for development of the entrepreneurship activity and production of the economic value with due consideration of the long- and short-term interests of the local community.

The theoretical and methodical approach to the interpretation of contents of the regional economy socialization processes proposed in the dissertation made it possible to single out three groups of homogenous processes within those processes. The first group (economic socialization) includes processes of formation and development of a system of guideline exposures of the economic agents influenced by the pressing measures of the state, which implements a paternalistic policy in accordance with the principles of behavioral economy. If this is the case, socialization of the regional economy may be considered as a process of implantation into the system of the guideline exposures of its agents characterized by restricted

rationality of values corresponding to the long-term benchmarks of the territorial unit's development, which are reflected in the program documents (regional concepts and strategies of the social and economic development). The state thus forms a system of needs and interests of the economic agents, the implementation whereof will ensure an advancing dynamics of the aggregated indicators of condition of the regional economy including the amount of the produced economic, social and environmental value. The second group (institutional socialization) includes processes of change of the institutional structure of the economy, which is reflected in the establishment and development of institutes stimulating formation of the social value. They include institutes of the socially responsible behavior of business entities, institutes of the social entrepreneurship, institutes of the social sphere branches stimulating accumulation of the human capital assets, institutes governing production of the social services, etc. If such institutes were absent or had a form of pro-institutes in conditions of the non-governed market (market economy of free competition), a state of the public well-being has been formed in conditions of the socially focused market economy, and it ensures re-allocation of the limited resources in accordance with the certain ideas of combination of the social justice and economic efficiency. There are formal and informal institutes, which outstand in the institutional structure of the socially focused market economy, and they stimulate socially responsible behavior of business entities (legal norms, institutes of the social reporting, charity institutes) as well as institutes governing production of the balanced amount of public benefits (institutes of pension, medical and social insurance, institutes of accumulation of human capital assets, etc.). The institutes ensuring reallocation of resources with a purpose of production of an optimal amount of the social and environmental value along with the achievement of an economic effect outstand in the institutional structure of the socially focused market economy implementing a model of stable growth. The institutes of social innovations play special role among them. The third group (functional socialization) includes redistribution of the total income of the regional economy with a purpose to form and satisfy social and spiritual needs of the local community, which is also necessary condition and a result of a new quality of growth in conditions of the post-industrial economic set-up, as it ensures accumulation of the human capital assets as a dominating source of the advancing dynamics of the society at this stage of its development. The accentuation of processes, which the economical and institutional socialization consists of, proceeds from the principles of a system and evolutional approach to the development of the society as a change of the balanced conditions, and imbalance is a factor of the more dynamic development in the new balanced condition, while ideas of the functional socialization are based on the ideas of the balance, which spirals into the circular movement or an oscillating rhythm of the process. Alongside this, technical and technologic changes are considered as a necessary condition of the

socialization processes within the framework of the alternative approaches to the interpretation thereof, while changes in the institutional structure of the society, which suppose formation of the institutes initiating permanent generation of social innovations and establishment of their closed cycle, are a sufficient condition of socialization.

Definition of the functional socialization as an object of the research made it possible to single out put its types including hypo-socialization, moderate socialization and hyper socialization. Hypo socialization supposes allocation of an insignificant portion of the total income of the regional economy and its agents for the formation and satisfaction of the social and spiritual needs of the local community; moderate socialization supposes allocation of a considerable portion of the total income of the regional economy for the formation and satisfaction thereof; hyper socialization supposes allocation of a dominating portion of the total income. Such approach makes it possible to identify regions differing in terms of defining the sources and amounts of financing of the public benefits aimed at the satisfaction of the social and spiritual needs of the local community, as part of the territorial entities of the Russian Federation.

## **2. The forms of implementation of contradictions in the processes of socialization of economy of the territorial entities of the Russian Federation have been revealed.**

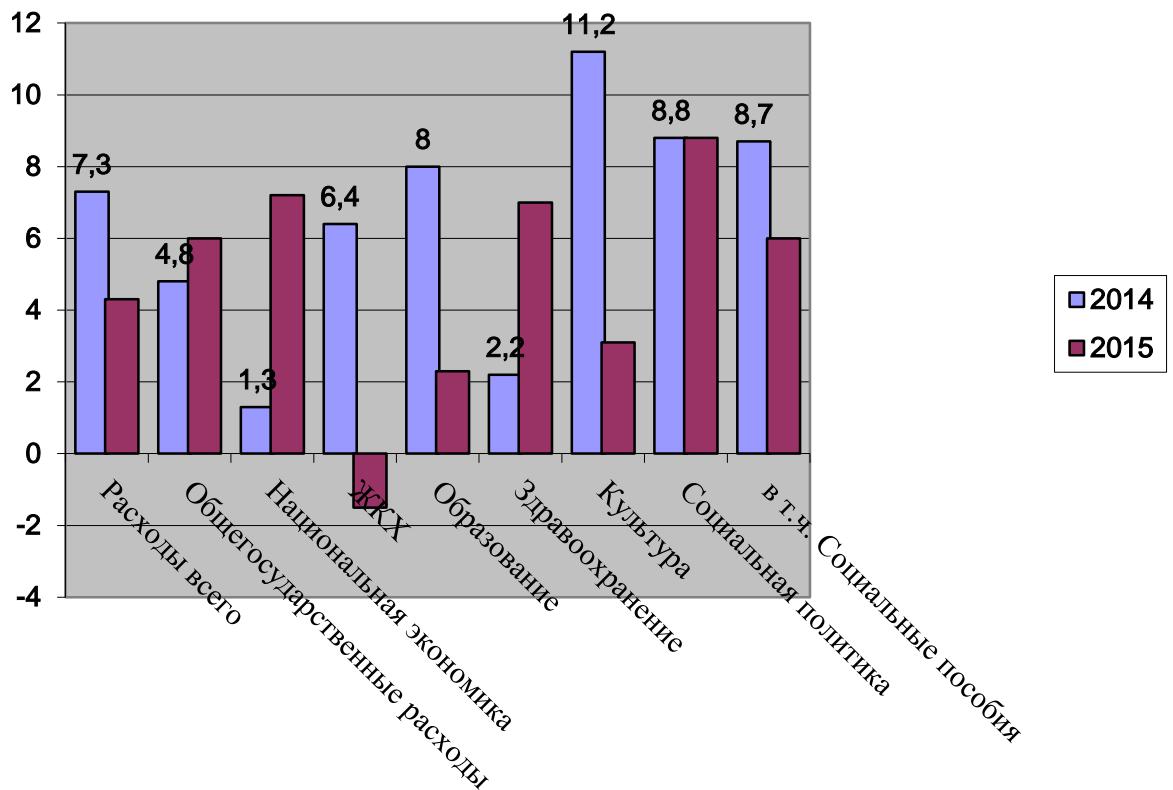
Socialization of the regional economy creates prerequisites for satisfaction of the local community's growing needs in the public benefits, which are characterized by non-competitiveness, non-exclusion from consumption and equality in consumption. Reproduction of the public benefits initiates a positive external effect manifesting itself in the social benefit exceeding the private one, which stipulates a necessity to use the budget resources as sources of their financing. Regionalization of the Russian economic area has led to distinction of the expenditure powers and creation of equal financial opportunities of the regional governmental authorities for the exercising of the same. Thus, the functions to produce local public benefits (pure and mixed ones) represented by the results of the social sphere branches' functioning, have been transferred to the regional level.

According to the analysis of the dynamic of figures of the regional budgets' expenses for the social sphere branches in 2014-2015, the tempos of the budget expenses' growth slowed down: if they increased by 7% in 2014<sup>2</sup>, in 2014 they increased by 4% only, and costs relating to the housing and utility services were reduced (by 1 %), while the national economy-related costs increased (by 7%). (drawing 1)<sup>2</sup>.

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<sup>2</sup> According to the data of the Independent Non-profit Organization "Independent Institute of the Social Policy" [Electronic resource]. Access mode: [http://www.socpol.ru/atlas/overviews/social\\_sphere/kris.shtml](http://www.socpol.ru/atlas/overviews/social_sphere/kris.shtml) free. Verified as at 1.09.2015.

Drawing 1: Expenses in total; nationwide expenses; national economy; housing and utility services; education; healthcare; culture; social policy; including social allowances



Drawing 1. Dynamics of expenses of all consolidated budgets of the territorial entities of the Russian federation in the first half-year of 2015, in % as to the same period of the previous year

The growth of expenses for development of the social sphere branches is basically represented by the growth of the consolidated regional budgets' expenses for the salary and social sphere accounting for over a half of expenses for education and healthcare, while the dynamics of expenses in the social branches is contradictory, as expenses for the provision of medications increased with the growth of prices for medications, and expenses for the outpatient care and culture remained unchanged in conditions of reduction of expenses for the secondary education as a result of optimization of the educational institution network and expenses for the inpatient care (by 10%). The accounting of the healthcare-related expenses incurred by the territorial funds of the compulsory medical insurance makes it possible to acknowledge the existing growth of the overall amount of financing of this sector. However, it has to be taken into account that all the above-mentioned expenses are basically presented by the current expenses, which predefine growth of

consumer expenses and growth of consumer demand in the local markets. Consumer costs do not initiate considerable multiplication effect of growth of the total income of the region with low efficiency of the import substitution strategy and high value of the marginal propensity to import. Thus, the share of salary in the overall amount of the budget expenses may be considered as an indicator of the “budget tension”, the growth whereof impedes the settlement of contradiction between the short- and long-term interests of the local community. The accomplished analysis shows that the growth of expenses for the social sphere branches takes place at the expense of the budget credits in the developed regions and at the expense of transfers from the federal budget in the underdeveloped regions. Thus, socialization of the regional economy does not come amid the formation of stable tempos of growth with the self-reproduction of sources thereof, while the amount of budgetary deficiency is increased, thus restricting growth of the total expenses in the long-term period.

According to the comparative analysis of dynamics of the consolidated budgets of the separate territorial entities of the Russian Federation, the dynamics differs by the following parameters. The share of expenses for the housing and utility services is relatively high in the first group of the territorial entities of the Russian Federation represented by the northern regions (the Republic of Sakha (Yakutia), Chukotskiy Autonomous District, Magadan Region, Murmansk region, etc.), which is conditional upon the natural and climatic conditions and amounts of the budget transfers defined by the same. High specific weight of expenses for the national economy is typical for the second group of the regions (the Republic of Tatarstan, Tyumen, Kaliningrad, Belgorod and Kaluga Regions) defined as self-sufficient, which is stipulated by the implementation of large investments projects supposing a considerable amount of grants and preferences. The third group includes cities of federal significance, Moscow and Saint Petersburg, in the sphere of education and healthcare whereof a scale effect ensuring reduction of average costs is implemented. It made it possible to increase costs for implementation of the infrastructure projects with the expenses of the social sphere’s branch being reduced. The fourth group includes the main part of the Russian regions, which the detected contradictions of the socialization processes are typical for to the full extent. Reduction of costs for the national economy in this group is conditional upon reduction of the budgetary incomes (Jewish Administrative District, Tyumen Region, etc.) and high debt load of the budget (Astrakhan and Yaroslavl Region, the Republic of Karelia, etc.).

According to the accomplished research, the formation of measures of the regional impact on the specialization processes is largely defined by the type of the regional unit and a set of its competitive advantages. The economic systems of the Russian regions may be interpreted as socially focused according to the contents of the socialization processes. Alongside this, they have no prerequisites for the stable socially focused growth. Aggravation of the macroeconomic environment with the

geopolitical risks being relapsed stipulates a necessity to develop inter-budgetary relations in terms of improvement of the expenditure powers at all levels of power and reinforcement of the same by the relevant financial resources.

### **3. An algorithm of defining a level of the regional economy socialization has been proposed.**

Formation of the efficient tools of the regional economy socialization is preceded by the assessment of the level of its social focus, to implement which it is advisable to use the following algorithm. It is necessary to formulate a socially focused purpose of the regional economic development at the first stage, and to decompose it using the “purpose tree” method. The accounting of the structured hierarchical aggregate of purposes in the course of the strategic analysis of factors of the region’s external environment as a quasi-corporation will make it possible to specify the composition and contents of the strategic management tools for the regional development. It is supposed to form an aggregate of indicators of the socially focused development of the regional unit at the second stage; such indicators shall be systematized in accordance with the BSI model. The use of this model enables to structure the data received from different information sources, and to use them for the making of efficient administrative decisions. The “training and development” sub-system includes indicators of the training results (senior secondary education; losses in the system; professional and qualification level of the employable population); socialization level (employment; criminality; capacity for the inter-culture dialogue; level of mastering social skills and competences in the problem solution area); meeting the regulatory requirements and consumer request (observance of statutory requirements; safety and health); availability and accessibility of educational resources of the common and collective use, etc.. The “internal processes” sub-system reflects the level of the social sphere’s focus on the local community’s needs, and includes (in accordance with the classification) processes of implementation of programs for the social protection of the regional economy residents, state family and youth policy programs, programs of development of the small and medium entrepreneurship, educational projects, etc., assessed based on the comparison of the planned and factual indicators. The “client’s satisfaction” sub-system includes indicators of the human potential development index, life length index, level of education, level of income of the regional economy residents and level of differentiation thereof, number of social enterprises and amounts of social investments within the framework of implementation of the socially responsible behavior of the entrepreneurship structures, etc. The sub-system “finances” includes indicators of the amount of the expenditure obligations for the own powers of the regional state administration agencies, budgetary incomes for the regional and fixed tax and non-tax incomes, estimated budgetary tax capacity, expenditures per capita within the framework of the social policy implementation, as

well as indicators of risks of the economic process socialization, level of the economic and environmental safety, etc..

The implementation of the BSI model enables to calculate the local and integral indicators reflecting the degree of achievement of the economic (amount of the total incomes and expenses, tax capacity of the regional education, etc.) and social (condition of the social sphere branches, social investments, safety level, etc.) results. It is advisable to range the used indicators within the framework of the indicator system development with due consideration of their importance for the various groups of the regional economy residents – representatives of the business community making social investments, governmental authorities implementing socially important projects, and consumers of the social value (results of operation of the social sphere branches). The inclusion of indicators into the BSI system is preceded by the definition of extent of their validity and correctness.

The calculation of the local and integral indicators makes it possible to build a matrix within the “economic value – social value” at the third stage coordinate grid; the use of this matrix provides a possibility to appraise the level of the social focus of economy of the territorial entities of the Russian Federation, and makes it possible to single out the regions primarily characterized by the focus on the achievement of the economic result; regions primarily characterized by the focus on the achievement of the social result; regions characterized by the well-balanced development and regions in the state of crisis or depression.

The areas of development of the social focus of the regional economy are formulated at the fourth stage, and a set of administrative decisions is defined using a method of analysis of hierarchies, development of a strategic map and formation of a bank of the socially focused projects, while the use of the project-base and targeted approach ensures an integrated effect on the process of socialization of the economic processes, and the use of BSI enables to monitor regional development and make corrections to the contents of the decisions made.

**4. A typical matrix structure of management of the process for implementation of the social and economic policy of the region formed on the basis of application of a framework construction of the balanced system of indicators and focused on the provision for a parity of powers and responsibility of the executive authorities at the federal and regional level in the process of making administrative decisions on the implementation of the mesoscale social and economic policy, has been developed.**

According to the analysis contained in the dissertation research, a specific feature of implementation of the social and economic policy in the modern Russian conditions is an insufficient balanced state of the system of management of the social and economic development, which is based on the division of the administrative decision-making centers: decisions governing implementation of the economic

policy are basically made at the federal level, while decisions defining implementation of the social policy are made at the regional level. This entails a necessity to coordinate the decisions made at the federal and regional level in terms of provision for a balance of goals and sub-goals of implementation of the social and economic policy with due consideration of the existing level of the economic territory polarization and the adjacent unevenness of the regional development. The investigation of the key areas of the social and economic policy of the Russian federation and its regions shows that it is advisable to use the balanced system of indicators as a framework construction of the analysis of the balanced implementation of this policy, as this system will enable to ensure coordination of powers and responsibility of the federal center and regions within the framework of the matrix structure of management focused on the achievement of the social goals in terms of management of the finance sub-systems, clients, internal processes, education and development within the framework of implementation of the social and economic policy (table 1).

Table 1  
Typical matrix structure of managing the process for implementation of the social and economic policy of the region

Executive body (regional level)	Executive body federal level)		
	The Ministry of Labor and Social Protection	The Ministry of Economic Development	The Ministry of Finance
Executive body responsible for the implementation of financial policy	Group for management of employment and social protection in the region (financial aspect)	Group for management of the economic development of the region (financial aspect)	Group for management of the implementation of the regional financial policy (financial aspect)
Executive body responsible for relations with the society	Group for management of employment and social protection in the region (client aspect)	Group for management of the economic development of the region (client aspect)	Group for management of the implementation of the regional financial policy (client aspect)
Executive body responsible for the implementation of the internal management processes	Group for management of employment and social protection in the region (aspect of internal processes)	Group for management of the economic development of the region (aspect of internal processes)	Group for management of the implementation of the regional financial policy (aspect of internal processes)
Executive body responsible for the development project implementation	Group for management of employment and social protection in the region (aspect of education and development)	Group for management of the economic development of the region (aspect of education and development)	Group for management of the implementation of the regional financial policy (aspect of education and development)

A sub-system of management including groups, which function in co-operation with the key federal executive bodies and are responsible for the implementation of the certain projects at the regional level, is formed in accordance with the proposed scheme for management of the implementation of the social and economic policy of the region within the framework of implementation of the mesoscale development projects, each of which refers to one of four BSI elements. The decision-making center shall be at the level of groups mentioned in table 1, which will make it possible to ensure a parity of powers and responsibility of the federal center and regional authorities in the course of implementation of the social and economic policy, and to exclude a possibility to make decisions solely within the framework of one of the two mentioned administrative decision-making centers.

**5. The strong dependence between the level of the population's satisfaction with the economic policy measures, region's rating by quality of implementation of the social and economic policy as well as satisfaction with the social policy measures and indicators of quality of the social and economic policy performance and a balance of powers and responsibility of the federal and regional authorities for the implementation of this policy has been proved using a correlation analysis of data on the implementation of the social and economic policy in the regions of Privolzhsky Federal District.**

A correlation analysis of dependence of the following indicators was carried out in the dissertation research using data on the implementation of the social and economic policy in the regions of Privolzhsky Federal District (PFD):

- quality of implementation of the social and economic policy in the region (was defined on the basis of the expert assessment made using the data of the public sources of information on the development of the PFD regions, and according to this assessment 10 points corresponded to the first-rate quality, that is, achievement of all the announced indicators of the regional development, and 1 point corresponded to the low quality);

- level of satisfaction of the population with the implemented measures of the social and economic policy (which were defined on the basis of polls held in the PFD regions, according to a 10-point scale, where 10 points mean 100% satisfaction of the population with the implemented measures);

- level of balance of powers and responsibility of the federal center and regions for the implementation of the asocial and economic policy (was assessed based on the expert assessment carried out by representatives of the academic community, and according to this assessment 10 points corresponded to the high level of balance and 1 point – to the low level);

- life quality level of the population of the region, to assess which the monitoring results of RIA Rating Agency LLC (rating position 1 corresponds to the top position).

Correlation analysis was carried out using Pirson's correlation, as the curves of distribution of the indicators in question are close to the standard curve of distribution. The results of the correlation analysis are presented in table 2 (\* marks dependence at the level of 0.05, \*\* - dependence at the level of 0.01).

Table 2

Results of the correlation analysis of results of implementation of the social and economic policy in the PFD regions

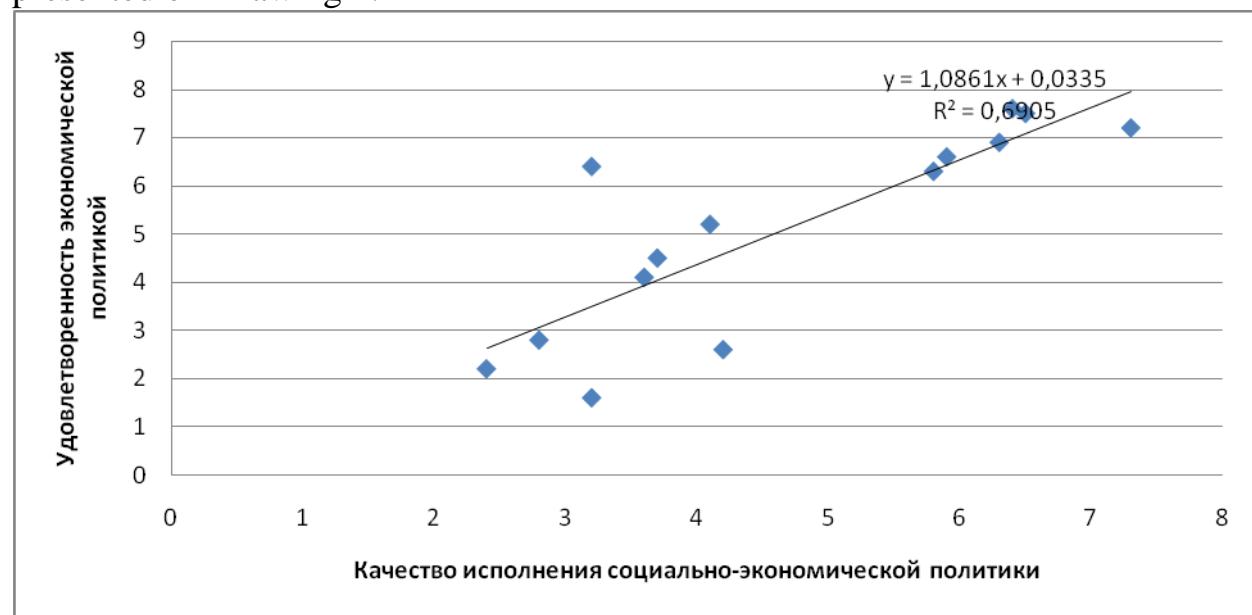
	Implementation quality	Satisfaction with the economic policy	Satisfaction with social policy	Balance of powers and responsibility	Quality of life
Quality of implementation of correlation the social and economic policy	Pirson's correlation Value (2-sided)	1 ,516*	,387*	,603** ,008	-,424** ,007
	N	14	14	14	14
Satisfaction with the economic policy measures	Pirson's correlation Value (2-sided)	,516* ,007	1 ,347	,306 ,021	-,527** ,045
	N	14	14	14	14
Satisfaction with the social policy measures	Pirson's correlation Value (2-sided)	,387* ,003	,347 ,006	1 ,706** ,000	-,408 ,000
	N	14	14	14	14
Balance of powers and responsibility of the federal center and regions	Pirson's correlation Value (2-sided)	,603** ,008	,306 ,021	,706** ,000	1 ,000
	N	14	14	14	14
Quality of life of the population	Pirson's correlation Value (2-sided)	-,424** ,007	-,527 ,045	-,408 ,000	1 ,000
	N	14	14	14	14

According to the data provided, the level of the population's satisfaction with the implementation of the economic policy measures is associated with the quality of life (the feedback is explained by the fact that the highest rating is the lowest) and with quality of the implementation of the social and economic policy, while satisfaction of the population with the social policy measures strongly depends on the indicators of quality of the social and economic policy implementation and on the

balance of powers and responsibility. The factual rating of the life quality, in its turn, strongly and negatively depends on all the analyzed indicators except satisfaction with the social policy, which may be explained by existence of a temporary lag between the moment of implementation of the social policy measures and the moment, when the population is capable of evaluating the results of the taken measures, which is necessary to take account of for the region management.

**6. A linear model of dependence of the region population's satisfaction with the economic policy measures on the quality of implementation of the social and economic policy has been formed along with the model of dependence of the region population's satisfaction with the social policy measures on the level of the balance of powers and responsibility of the federal and regional authorities for the implementation of the social and economic policy.**

Models forecasting the region population's satisfaction with the social and economic policy measures depending on the condition of the key predictor have been formed based on the results of the correlation analysis contained in the dissertation research and defining the difference of the basic predictors of the said satisfaction. The model of the population's satisfaction within the economic policy measures is presented on Drawing 2.



Quality of implementation of the social and economic policy

Satisfaction with the economic policy

Drawing 2. Model of satisfaction of the region population with the economic policy measures (dependent variable) on the quality of implementation of the social and economic policy (independent variable)

According to the given data, the variation of the quality of implementation of the regional social and economic policy explains 69.05% of the change in the level of satisfaction of the regional population with the economic policy measures, which

dictates a necessity to take account of this factor when forming a scheme of implementation of a mesoscale social and economic policy.

Drawing 3 represents a linear model of the regional population's satisfaction with the economic policy measures.



Satisfaction with the social policy measures

Balance of powers and responsibility for the implementation of the social and economic policy of the region

Drawing 3. Model of satisfaction of the regional population with the social policy measures (dependent variable) on the balance of powers and responsibility (independent variable)

Variation of the level of balance of powers and responsibility of the federal and regional authorities when implementing the social and economic policy defines 65.72% of the change in the level of the regional population's satisfaction with the social policy measures, which entails a necessity to provide for the consideration of this factor when forming a scheme of implementation of the social and economic policy to achieve maximum efficiency.

Thus, the use of the strategic management tools assessed with due consideration of the impact on the level of the economic process socialization in the territorial entities of the Russian Federation, is a necessary condition of forming of a strategy of the socially focused stable development.

### III. MAIN PUBLICATIONS ON THE SUBJECT OF THE DISSERTATION

Articles in the publications recommended by the State Commission for Academic Degrees and Titles of the Russian Federation:

1. A.D. Mitrofanov. Theoretic basics of investigation of the territorial social and economic system / A.D. Mitrofanov // Horizons of Economics. 2015. No 3 (22). pages 112-114. 0.4 printed sheets.
2. A.D. Mitrofanov. Transformation of the social and economic territory of the region in modern conditions / A.D. Mitrofanov // Today and Tomorrow of the Russian Economy. Scientific and Analytical Compilation. 2015. No 70. Pages 95-98. 0.38 printed sheets.
3. A.D. Mitrofanov. Specifics of formation of institutes of socialization at a meso-level / A.D. Mitrofanov // Horizons of Economics. 2015. No 6 (26). Pages 90-92. 0.37 printed sheets.

### **Publications in the Journals, Collections of Research Papers and Conference Materials:**

4. A.D. Mitrofanov. Socialization of regional economy in the modern economic conditions / A.D. Mitrofanov // Human resources management. 2013. No 2 (3). Pages 5-7. 0.3 printed sheets
5. A.D. Mitrofanov. Specifics of socialization of the regional economy / A.D. Mitrofanov // Modern art of economics. 2014. No 2 (16). Pages 7-9. 0.28 printed sheets.
6. A.D. Mitrofanov. Formation of effective tools of socialization of the regional economy / A.D. Mitrofanov // In the book: Stable development of the territory: problems and prospects of the provision. Materials of the 3d international scientific and practical conference. Penza: Autonomous non-profit educational organization "Privolzhsky House of Knowledge", 2015. 0.25 printed sheets.
7. A.D. Mitrofanov. Specifics of formation of the territorial social and economic system / A.D. Mitrofanov // In the book: Prospects of science – 2015: Collection of reports of the 2d international contests of research papers. Kazan: Roketa Soyuz LLC, 2015. Pages 150-154. 0.27 printed sheets.
8. A.D. Mitrofanov. Specifics of formation of the regional institutes / A.D. Mitrofanov // In the book: Modern problems of the social and humanitarian sciences: Collection of reports of the 2d international scientific and practical conference. Kazan: Roketa Soyuz LLC, 2015. Pages 206-210. 0.28 printed sheets.