

The influence of sectoral makeup of economy on its efficiency

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Abstract

The paper determines how sectoral makeup of economy influences its functional efficiency and territorial placement of production forces. It analyses the transformation of sectoral makeup in some countries on global and regional levels. Theoretical justification for principles of labor division is demonstrated. The author also defines the term of multicriterion approach. It is important to note that structuring of economy influences very different types of economic activity. The same calculations can be made with various indexes. Thus, structural effect may have multicriterion character when several economic indexes are being optimized simultaneously. Criteria for optimization can be profit, added value, employment, ecologic security. Presently there is enough number of methods of multicriterion optimization and application program package. Thomas Saati's method of Analytic Hierarchy Process (AHP) is worth mentioning. The most important subnational entity on the territory of Russia is region whose unity altogether form a single economic area. In this regard one can define a number of efficient (effect-forming) directions which appear during the process of interaction of industrial and territorial structures. One of such directions is sectoral makeup of economy (SME) synergy as one joint entire (whole) depending on geographical position on the region's territory. Synergy arises from optimization in the proportion of SME elements which are connected with the territorial position. And this results in diversification and clusterization. For instance, the efficiency of fuel and energy industry depends on its distribution on the territory throughout the country.

Keywords

Division of labour, Efficiency, Sectoral makeup, Territorial structure