

**SOCIAL AND ECONOMIC DISPROPORTION OF DEVELOPMENT OF
RUSSIAN TERRITORIES**

VOLKOV, Sergey Konstantinovich*

Abstract

The article analyses the interdependencies between the development level of the regions' social sphere and the level of their competitive power. The author traces the correlation between the level of living (living standards) and the level of the territories' competitive power by the example of international ratings and statistical data regarding the development of the Russian regions. The study concludes that under the demographic disproportion of the Russian regional development, the territorial marketing will contribute to preserving the territorial integrity of the country by attracting and retaining top-notch specialists (residents), thus fulfilling the social function.

Keywords: territorial marketing, region, social responsibility, human development index, competitive power, territorial stakeholders.

1. Introduction

Entering the era of severe competence for all types of resources, new markets and new technologies, territories are actively seeking to use their potential for sustainable growth in the non-ergodic market environment. Global mobility helps to ensure that all kinds of resources, especially human ones, rapidly moves along the path "from the periphery to the center", which contributes to the stagnation of regional development and weakens the competitive advantage in foreign markets.

The marketing paradigm of strategic territorial development is widespread in the countries of the capitalist world and gradually taking root in the Russian context, allowing areas to raise the level of competitiveness [6, 7]. As agreed by experts in the field of territorial marketing, the main objective of the marketing strategies of territorial development is to provide a high quality of life to local residents [2, 6, 9, 13]. Without being disputed, this claim should still be developed. The target audience, at which the marketing efforts of regional management should be directed, must include territorial residents (local residents, representatives of business organizations, non-profit organizations, etc.). It is the efficiency of all stakeholders of the territory that influences its competitiveness.

The residents of the territory - i.e., local people - feature competitive advantages in most regions, using their labor and creative resources in adding value to the territory and influencing its capitalization. The satisfaction level of local residents and residents in general is the key to competitive development of the territory. The author suggests that the main task of strategic management (marketing) should be associated with not only (and not so much) the attraction of additional investments, tourism flows and technology but also the desire to attract and retain those residents that already exist and function.

* Volkov, Sergey Konstantinovich, Ph.D. of Ec.Sc., Associate Professor, the Department of World Economy and Economic Theory, Volgograd State Technical University, Russian Federation. E-mail: ambiente2@rambler.ru

Many scientists have been researching a close correlation between the level of the efficiency of regional producing industries and the level of the development of human capital. The role of human capital in the development and modernization of the territorial (national) economy is theoretically studied quite comprehensively and systematically. Let us trace the relationship between the quality of life and the level of competitiveness of territories by the example of the international rating systems (Table 1 and Table 2). To conduct the analysis, let us consider two integral indexes, i.e. Human Development Index (HDI) and Global Competitiveness Index (GCI).

Table 1. Human Development Index of Countries of the World

Position	Country	HDI
1	Norway	5.7
2	Australia	5.6
3	Switzerland	5.5
4	Netherlands	5.5
5	USA	5.5
6	Germany	5.5
7	New Zealand	5.5
8	Canada	5.5
9	Singapore	5.4
10	Denmark	5.4
57	<i>Russia</i>	0.778

In accordance with the data [8]

Table 2. Global Competitive Index 2014–2015

Position	Economy	GCI
1	Switzerland	5.7
2	Singapore	5.6
3	USA	5.5
4	Finland	5.5
5	Germany	5.5
6	Japan	5.5
7	Hong Kong	5.5
8	Netherlands	5.5
9	Great Britain	5.4
10	Sweden	5.4
53	<i>Russia</i>	4.4

In accordance with the data [14]

As it is shown by the aforementioned tables, the human potential of the territory directly influences its competitive power in internal and external markets for goods and services. The same five countries are among the top ten countries in both ranking systems. Moreover, their indexes are also approximately the same. Even the positions of Russia are comparatively close to each other (57th and 53rd positions). It seems to us that human resources will rush to the region with a higher life quality. Let us view this statement by the example of Russia's regions (fig.1, Table 3).

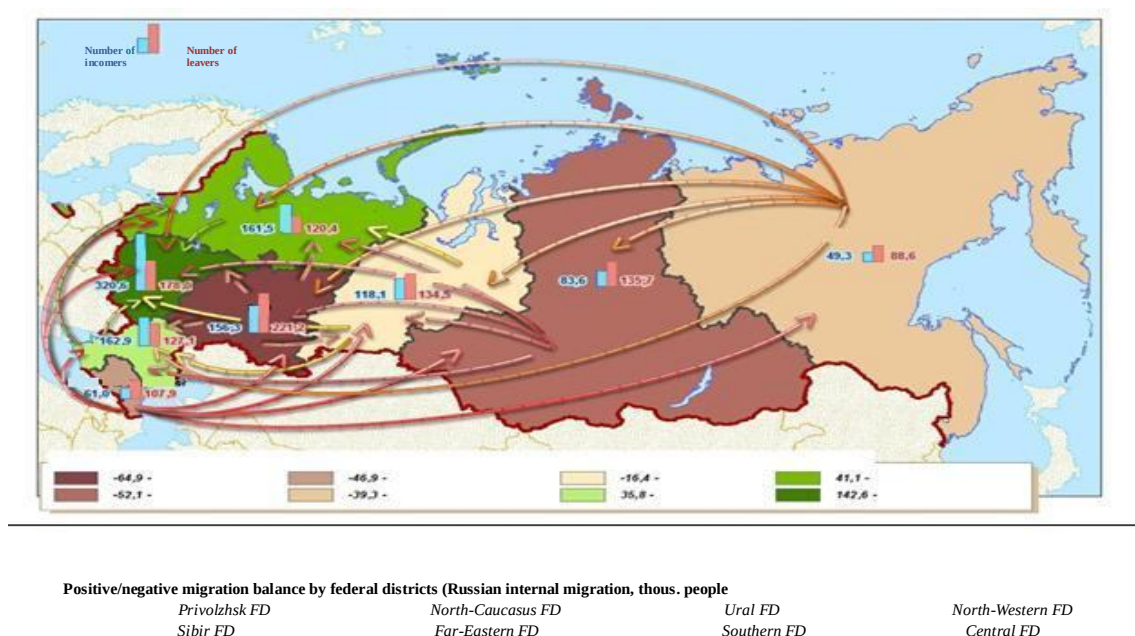


Figure 1. Russia's internal migration by territories of arrival and territories of departure According to the Russian State Statistics Committee [2]

As it is obvious from the figure, the main migration flows of human resources within the country are directed from the peripheral areas to the capital. Out of the eight federal districts (except the Crimean Federal District), the growth of labor and human resources in 2013 was observed in only three districts (the Southern Federal District, the North-West Federal District and the Central District). The most significant increase is observed in the Central Federal District (+ 142.6 thousand people, most of which were coming to Moscow as the center of the Federal District). The largest outflow of workers and their creative resources took place from the Volga Federal District (- 64.9 thousand people). However, the points of attraction for human resources are also observed in the regions where there is a negative migration balance – i.e., the Urals, the Siberian and Far Eastern Federal Districts. Let us try to identify patterns of migration between the active region and its Human Development Index.

Table 3 given hereinafter shows the ranking of Russia's regions by the Human Development Index and includes its definite components:

- Real GDP per capita (as measured per capita in purchasing power parity terms USD);
- Income Index;
- Expected lifespan (years);
- Longevity Index;
- Intelligence (%);
- Proportion of students at the age of 7-24 (%);
- Education Index.

Table 3. Index of Human Development in Russia's regions, 2013.

Region	GD P, PPP	Income Index	Lifespan years	Longevity Index	Intelligence%	Students %	Education Index	HD I	Position
Moscow	39226	1.000	73.56	0.809	99.99	0.953	0.984	0.931	1
St. Petersburg	24551	0.919	71.49	0.775	99.9	0.908	0.969	0.887	2
Tyumen Region	60363	1.000	69.72	0.745	99.7	0.755	0.916	0.887	3
Sakhalin Region	51900	1.043	65.01	0.667	99.7	0.714	0.903	0.871	4
Belgorod Region	23190	0.909	71.29	0.772	99.7	0.757	0.917	0.866	5
The Republic of Tatarstan	23747	0.913	70.43	0.757	99.7	0.771	0.922	0.864	6
Krasnoyarsk Krai	27100	0.935	67.76	0.713	99.6	0.754	0.915	0.854	7
The Republic of Komi	24836	0.920	67.20	0.703	99.7	0.813	0.936	0.853	8
Tomsk Region	20638	0.890	68.61	0.727	99.7	0.828	0.941	0.852	9
The Republic of Sakha (Yakutia)	23570	0.912	66.78	0.696	99.6	0.780	0.924	0.844	10
Orenburg Region	20020	0.884	68.26	0.721	99.6	0.774	0.922	0.842	11
Sverdlovsk Region	18081	0.867	68.97	0.733	99.8	0.784	0.927	0.842	12
Omsk Region	16591	0.853	68.83	0.731	99.5	0.821	0.937	0.840	13
Kursk Region	13630	0.820	68.54	0.726	99.6	0.924	0.972	0.839	14
Magadan Region	19401	0.879	65.23	0.671	99.8	0.908	0.968	0.839	15
Samara Region	16028	0.847	67.78	0.713	99.7	0.772	0.922	0.827	25
Saratov Region	13581	0.820	68.98	0.733	99.7	0.761	0.918	0.824	28
Volgograd Region	13673	0.821	69.60	0.743	99.7	0.711	0.902	0.822	30
The Republic of Tyva	8064	0.733	61.00	0.600	99.6	0.762	0.918	0.750	80

In accordance with the data [3].

The conducted comparative analysis of migration processes in Russia and that of the level of human development in the Russian regions show that the higher the social responsibility of the territory to the local population and territory residents, the greater the desire of the latter to use their labor and human and creative potential in the territory of residence. If the territory is analyzed from the standpoint of the modern theories of regional economy, which consider a territory as a quasi-enterprise, new criteria can be set to classify regions, i.e., socially responsible and socially irresponsible regions.

Social responsibility of the territory to the local community and residents will manifest itself in providing high standards of social and economic development of its residents. A high level of income, an increased level of social security and social infrastructure areas are the factors that will affect the attraction of top-notch residents. The methodology of such territory ranking requires further development and refinement, involving a wide range of professionals and experts of various kinds. It is obvious that one of the main criteria for classifying a region as a socially responsible one must be the index of the volume of territorial costs to develop the social sphere. In this case, the main marketing tool should be associated with the regional budget, not just as a financial document but as a tool to influence the target audience and the mechanism of formation of the territory's favorable image.

Realizing that excessive social standards of the territory are impossible without raising the rate of productivity, we consider it necessary for the regional management to provide the observance of proportions between these areas of development. The world practice has examples (Germany, USA, Spain, France, etc.) showing that the exaggerated desire of the territories to ensure a high standard of living led to a diametrically opposite effect, i.e., the development of social and labor dependence, rising unemployment, worsening crime situation, and as a consequence the reduced level of economic development.

Marketing strategy for territorial development should be based on the positioning of the region as a socially responsible entity of economic relations with regard to its every stakeholder. In contradiction to all the existing stereotypes in the territorial marketing theory saying that the main functions and objectives of the region (country) is to create a positive image in the external communication channels, we believe that the main function of territorial marketing should be the social responsibility of the regional management to its residents. It is difficult to generate and transmit a positive and attractive image of the territory, whose inhabitants migrate en masse to other regions. The formation of socially responsible regional policies based on the principles and methods of marketing, doesn't only deal with the image component but also performs a strategic function. Creating a positive image of the territory, it is necessary to realize that marketing technologies wouldn't individually provide the loyalty of the residents, there must be real structural changes of the internal environment. The local population as the target audience of territorial marketing is more informed about the qualitative indicators of the region; therefore, the implementation of marketing campaigns that aren't supported by the real actions of the regional management can cause the opposite effect and prejudice the residents against it, which can lead not only to the formation of a negative "climate" within the territory, but also to the active promotion of an adverse image in the external environment.

In the conditions of the dramatic disproportion of the Russian regional development (fig.2), territorial marketing will contribute to preserving the country's territorial integrity by retaining and attracting top-notch specialists (residents).

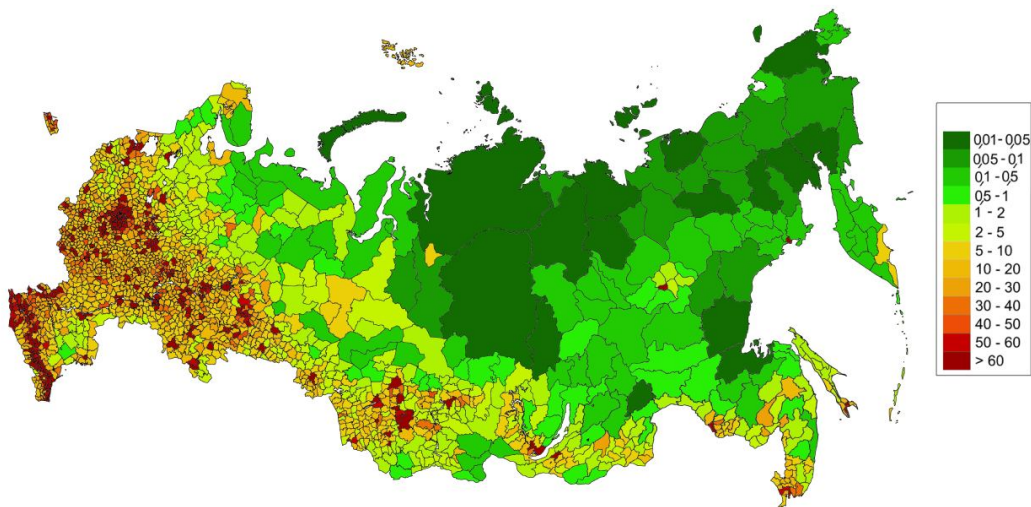


Figure 2. Density of the Russian population by municipal entities (regions) on 01/01/2013 (people per m2)

In accordance with the data [12].

As it is obvious from fig.2, a significant part of the population is concentrated in the European part of the country while the central and Eastern parts are underpopulated, thus directly influencing the level of Russia's national safety. In spite of the urgency and theoretical validity of the necessity to retain and attract new population, the management of the Russian regions totally lacks the practice of developing marketing and socio-economic strategies in providing adequate living conditions to cope with the problem of lower population density.

Based on the conducted research, the following conclusions and recommendations can be made:

- The current situation with the rapid movement of territorial labor and human potential from the periphery to the central regions of the country (mostly from the Eastern and central regions of the European part) threatens not only to reduce the competitiveness of not only individual regions of Russia but also to break the territorial integrity of the country;

- It is necessary to develop territories' social responsibility to their residents and simultaneously to maintain the level of labour efficiency. It is also necessary to develop regional target programs on developing infrastructure and event projects including the social sphere. A higher level of residents' satisfaction will contribute not only to a better image of the territory but also to its higher competitive power;

- In a similar way to the corporate sphere, it is necessary to introduce the publication of regular ranking of regions' social responsibility into the practice of territorial competition. Such ranking must reflect the development level of the social sphere of a definite region as well as experts' estimates of the level of residents' satisfaction with the life quality;

- It is necessary to reorient the strategic regional management to the marketing development paradigm. The marketing paradigm of territorial development is a good basis for developing regions' competitive advantages in the conditions of a severe competition for all types of resources and it can also provide the efficient communication of the territory with the target groups of consumers;

- The exaggerated tendency to attract external investments for developing human potential within the territory should be changed for the attempt to retain top-notch and creative residents and possibly to attract extra skilled labour. Such an attempt should become the main objective of the regional authorities. And the advanced human development policy should result in both the development of the positive business reputation of the territory and the increase in investments.

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