

Theoretical and methodological aspects of territorial strategic management concerning socio-ecological and economic development of depressed regions

Aspectos teóricos y metodológicos de la gestión estratégica territorial sobre el desarrollo socioecológico y económico de las regiones deprimidas

Authors

Konstantin E. Tyupakov¹, Nikolai S. Kokov², Ferdaus Ya. Polonkoeva³, Rozita B. Hapsaeva⁴, Karina S. Shumakhova⁵

²Doctor of Economics, Professor of the Department of Economics and Foreign Economic Activity at the Federal State Budgetary Educational Institution of Higher Education "Kuban State Agrarian University named after I.T. Trubilin"; tupakov@yandex.ru, ORCID iD: 0000-0001-9335-2686

²PhD in Economics, Associate Professor, Dean of the Faculty of Economics and Management at the Federal State Budgetary Educational Institution of Higher Education "Kabardino-Balkarian State Agrarian University named after V.M. Kokov"; kns5907@mail.ru, ORCID iD: 0000-0002-0670-9163

³PhD in Economics, Associate Professor of the Department of Economics, Ingush State University; polonkoeva.faya@mail.ru, ORCID iD: 0000-0003-4949-610X

⁴Senior Lecturer of the Department of Accounting and Taxation, Federal State Budgetary Educational Institution of Higher Education "North Ossetian State University named after K.L. Khetagurov"; lady.hapsaeva@yandex.ru, ORCID iD: 0000-0002-0245-4992

⁵PhD in Economics, Senior Lecturer at the Department of Economics and Finance, Institute of Law, Economics and Finance, FSBEI HE "Kabardino-Balkarian State University named after H.M. Berbekov"; karinashumahova@mail.ru, ORCID iD: 0000-0002-5618-1117

Fecha de recibido: 2020-10-14

Fecha de aceptado para publicación: 2020-11-18

Fecha de publicación: 2020-11-20



Abstract

The socio-ecological-economic space of the RF regions is positioned as a multifunctional and complex object of strategic management. The effectiveness of the strategic management concerning the regional socio-ecological-economic system directly determines the vector and results of the diverse economic entity activities on the territory, and hence the ways to increase the economic potential of the region, the level of income and life quality of the local population. Effective regulation of economic processes and sustainable development provision of regional systems can be achieved only if all these processes are studied, i.e. their structure, tendencies, rates have been established; the factors contributing to and hindering development are identified, their fluctuations are diagnosed; the features of the construction and functioning of various interconnected subsystems of the region are analyzed. A complex of systemic studies is carried out through the synthesis of various approaches to the analysis and development of strategic management decisions. They perform the study of special economic and mathematical calculations, information technologies, etc. in the advanced regions of the Russian Federation, in contrast to the depressed territories. This approach makes it possible to study comprehensively the socio-ecological-economic situation in the region and conduct a reasonable quantitative diagnosis of the social, ecological and economic subsystems functioning in the region, evaluate the final results, clarify the set of reserves and develop objective strategic decisions regarding the sustainable balanced development of the region. (Davankov et al., 2010; Kornai, 2002; Tatarkin, 2011) Undoubtedly, all this emphasizes the importance of timely



improvement of theoretical and methodological approaches and methodological provisions regarding all stages of strategic management of regional socio-ecological and economic systems.

Keywords: theory and methodology, territorial strategic management, regional socio-ecological-economic system, depressed republics, strategic analysis tools, intraregional differentiation, key industries, competitive advantages, recovery, sustainable development.

Resumen

El espacio socio-ecológico-económico de las regiones de RF se posiciona como un objeto multifuncional y complejo de gestión estratégica. La efectividad de la gestión estratégica en torno al sistema socio-ecológico-económico regional determina directamente el vector y resultados de las diversas actividades de las entidades económicas en el territorio, y de ahí las formas de incrementar el potencial económico de la región, el nivel de ingresos y de vida. calidad de la población local. La regulación efectiva de los procesos económicos y la provisión de desarrollo sostenible de los sistemas regionales solo se puede lograr si se estudian todos estos procesos, es decir, se han establecido su estructura, tendencias, tasas; se identifican los factores que contribuyen y dificultan el desarrollo, se diagnostican sus fluctuaciones; Se analizan las características de la construcción y funcionamiento de varios subsistemas interconectados de la región. Se lleva a cabo un complejo de estudios sistémicos a través de la síntesis de varios enfoques para el análisis y desarrollo de decisiones de gestión estratégica. Realizan el estudio de cálculos económicos y matemáticos especiales, tecnologías de la información, etc. en las regiones avanzadas de la Federación de Rusia, en contraste con los territorios deprimidos. Este enfoque permite estudiar de manera integral la situación socio-ecológica-económica de la región y realizar un diagnóstico cuantitativo razonable del funcionamiento de los subsistemas sociales, ecológicos y económicos en la región, evaluar los resultados finales, aclarar el conjunto de reservas y desarrollar objetivos. decisiones estratégicas sobre el desarrollo sostenible y equilibrado de la region (Davankov et al., 2010; Kornai, 2002; Tatarkin, 2011). Sin duda, todo esto enfatiza la importancia de la mejora oportuna de los enfoques teóricos y metodológicos y las disposiciones metodológicas en todas las etapas de la gestión estratégica de los sistemas socioeconómicos y económicos regionales.

Palabras clave: teoría y metodología, gestión estratégica territorial, sistema socio-ecológico-económico regional, repúblicas deprimidas, herramientas de análisis estratégico, diferenciación intrarregional, industrias clave, ventajas competitivas, recuperación, desarrollo sostenible.

Introduction

Many scientific works by foreign and domestic researchers are devoted to the problems of the theoretical and methodological foundations of a strategic management system development. The most popular of them are the works by N. Ansoff, D. Aaker, I. Drens, G. Mintzberg, M. Porter, G. Hamel, A. Chandler, K. Andrews and others. Among Russian scholars, one can mention E.V. Balatsky, A.G. Granberg, V.V. Leksin, V.S. Misakov, N.N. Nekrasov, D.S. Lvov and others, who considered this process in conjunction with the territorial economic system.

At the same time, all these publications, in general, have a theoretical and methodological aspect, and almost do not affect their applied use, which undoubtedly actualizes the need for further development of theoretical provisions and the development of specific practical recommendations for strategic management development, taking into account the specifics of Russian regions, including the depressed republics of the North Caucasus. In this regard, it is necessary to study and work out a number of issues of territorial planning regarding

the mechanism of strategic choice to justify management decisions. First of all, this applies to the agrarian-oriented, labor-surplus depressive republics. There are publications devoted to this trend in which only certain aspects of the problem are considered.

All this, of course, highlights the need to develop a methodology for strategic management of depressed territories, which, first of all, makes it possible to implement new approaches to strategic analysis and strategic choice organization and conduct regarding the social, economic and environmental indicators of the region and to coordinate their activities to ensure the key strategic goal of the region as a single spatial system.

Depressive republics differ significantly from donor regions in terms of technological development level, in the amount of natural resources, in land areas, etc. All this, in our opinion, requires clarification of the methodological prerequisites for the development of region typologies in order to determine quickly the nature and direction of the formed processes and again ongoing changes, as well as the active use of modern mathematical tools



that support the main stages of planning. The thing is about the need to conduct a spatial-temporal analysis and establish the cause-and-effect relationships of socio-ecological-economic processes and phenomena, substantiate strategic choices in making managerial decisions, etc.

As can be seen from the abovementioned, the use of strategic management theory of depressed regions as territorial objects of management is still at the stage of development and many problems need to be covered (Vikhansky, 2000; Saveliev, 2014).

The relevance of the problems under consideration regarding the development of the strategic management theory and methodology in depressed regions determined the topic of our scientific article.

Study Methodology

The theoretical and methodological basis of our article was the well-known scientific works by foreign and Russian researchers on topical problems of strategic management of the regions, scientific periodicals, the research materials of analytical centers, scientific conferences and seminars.

As a methodological basis, we used the methods of systems analysis, complex analysis, economic and mathematical modeling, the methods of factorial, situational and functional analysis.

The information base of the article was represented by federal and regional legislative and regulatory acts of state authorities, the statistical materials of the RF Federal State Statistics Service and the republics of the North Caucasus, as well as the materials of periodical scientific press.

Study Results

During the last couple of decades, a number of different theoretical views have been formed on the subject of management effectiveness determination concerning complex socio-economic systems. Moreover, in many such works one can find a different vision of the functions and tasks of strategic management, the structure of the control system, the approaches to the processes of the information base creation and use for the development of management decisions, etc. Among these scientific trends, it is appropriate to highlight the systemic paradigm by J. Kornai (Cardina, 2004). The author managed to combine harmoniously the principles of the system approach (1920-1930) with modern integration trends in economic theory.

The use of J. Kornai's concept by another researcher made it possible to formulate the system-integration concept of the company as a system integrator of production, financial and other resources and the expectations and interests of all participants in its activities (Bell, 2004). At that, the author managed to substantiate and describe the internal system environment of the company as a set of seven basic internal functional subsystems. These are mental, organizational-cultural, institutional, cognitive, property-technological, imitative, and historical one. This approach made it possible to position a business entity not just as a manufacturer and distributor of intangible assets. Such an enrichment of the firm theory made it possible to understand the content of the subject tasks of management and marketing more fully.

Any real system has both degradation and destruction processes, which, of course, actualizes the need to study the interaction of the system under consideration with the external environment, as well as its internal properties and characteristics. The work (Afanasyev, 1980) provides a detailed characteristic of systemic features - this is integrity; the presence of two or more forms of connections (spatial, functional, genetic, etc.); structure (organization); hierarchy; management, purpose, etc.

The analysis of the specialized literature on the issues under consideration does not allow us to speak about the existence of a universal interpretation of "system" concept. As a rule, it is recommended to understand a system as a relatively autonomous and stable part (in time and space) of the surrounding world, which simultaneously has the properties of external integrity and internal diversity (Davankov et al., 2010; Zibarev, 1998; Misakov et al., 2013).

All of the above allows us to assert that in our case, the strategic approach is based on the systematic analysis of the studied complex socio-ecological and economic objects. The thing is about an interdisciplinary trend that synthesizes a variety of theories, concepts and methods of various sciences, in which the object of diagnostics is considered as a purposeful system with a given vector of development towards the set goal.

In the course of strategic management implementation, they carry out several logically interconnected and sequentially implemented stages, which, among other things, have interaction with each other and stable feedback. At the same time, it is necessary to implement such sub-processes of strategic management as environmental analysis, determination of a mission, goals and objectives, a strategic plan development, the process of strategy implementation, monitoring,



diagnosing and implementation control ... (Aaker, 2003; Gauzhaev et al., 2013; Misakov & Betrozov, 2012).

Undoubtedly, the success of the regional socio-ecological-economic system management depends on the development of organizational systems that have the social status of institutions. The thing is about an institutional approach, in which the region, acting as an independent administrative unit, should be considered as a complex socio-ecological-economic system with a multipurpose goal, a certain hierarchical structure, diverse relations with the external environment, and also with its own uniqueness and specificity.

There are many scientific publications covering various aspects of depressed area functioning. At the same time, due to the extreme problematic nature of such research objects and their multifaceted uniqueness, there are still no generally accepted terminologies in the field of research and knowledge concerning the mechanism of these aspects of depressed territories, not to mention the methodology for designing their restoration and sustainable development provision.

Speaking about the content of the organizational system, they should note the specific role of people in such systems. Thanks to people, the organization acts as a mutually beneficial purposeful association of people and a set of resources as a single isolated organism. In such a case, the system itself is directly positioned as the means of the set goal achievement (Aaker, 2003; Tatarkin, 2011).

The regional socio-ecological-economic system from the position of strategic management in order to achieve a synergistic effect in the implementation of the set goals and objectives should be positioned as an integral (unified) system, which, in our opinion, requires the study of a set of methods and tools of modern organization theory. The increase of problems for a highly effective and flexible system of strategic management development in a depressed region as a complex multifaceted socio-ecological-economic object with established socio-political conditions and organizational and economic mechanism, the need to adapt them to the constantly changing strategic guidelines set by federal and regional authorities, require the strategic management system improvement.

In the course of the study, we found that the theory of strategic management and the theory of building (improving) organizational systems develop separately, which ultimately do not allow to obtain the desired effect when using the mechanisms and

tools of strategic management in the corresponding systems.

For the effective implementation of the recovery targets and sustainable development of a depressed region, it is necessary to create the conditions that stimulate the unification of efforts of diverse economic objects of the territory with different trends. The thing is about the transformation of these components (enterprises and organizations) into active elements of the studied organizational system in order to ensure the maximum balance of their sometimes conflicting interests into a systemic integrated formation for the implementation of the given strategic goals. Of course, we admit that this task is very difficult to implement in the conditions of subsidized depressive republics - this requires substantial government support.

The development strategy of the region can be considered directly as the main link between the region goals and the line of behavior taken to implement the goals. The very sub-process of building a strategy for the socio-ecological-economic development of the region is called "strategic planning", which consists of the following stages:

- the analysis of the current state of the internal atmosphere and the environment of the region (system);
- development of the region (system) desired prototype in the future for the planned period of time;
- development of a set of measures and actions necessary to transform the current socio-ecological-economic situation of the region (system) into the prototype state.

From the abovementioned, it follows that strategic management is aimed at a long-term perspective, its characteristic feature is the need for practical implementation of the set long-term goals by real potential mobilization and the region competitive advantage development.

It is appropriate to understand the development strategy as an effective tool for the transition to a long-term policy of complex arrangement of the region and the development of complete infrastructure in order to ensure the highly efficient functioning of the territorial socio-ecological-economic system as a whole (Gauzhaev et al., 2013).

It seems to us expedient to revive the interest and practical use of planning in the depressed republics as an effective tool for restoration the economy of depressed regions. Moreover, there is already a certain experience in the effective use of strategic planning modern technologies in the management



of a number of RF regions - including the Samara and Novgorod regions, Nizhny Novgorod, Togliatti, Omsk and other cities of the country. In these regions, strategic plans are developed in the format of complex documents, which reflect the goal, objectives, directions, implementation mechanisms, etc.

It seems to us that the generalization of their experience in the field of strategic planning will allow us to introduce new sections reflecting the needs of the depressed labor-surplus land-poor republics of the North Caucasus, in particular, the need to improve the economic climate, the formation of investment attractiveness, the development of socially oriented business, etc.

The marketing approach to a depressed region management presupposes the intensification of the investment policy of federal and regional authorities, sets up a territorial economic policy to create a favorable climate for the development of small and medium-sized businesses and local population living standard increase (Afanasyev, 1980; Baranchev, 1998; Turova et al., 2019).

In the course of our study, we formulated a number of priority trends for the development of the depressive republics of the South of Russia:

- the need to preserve and develop the human potential of small national republics;
- large-scale restructuring and modernization of the regional economy;
- ensuring the improvement and development of the living environment in rural (especially mountainous) areas;
- infrastructure development;
- civil society and local self-government development.

It is advisable to use strategic control in the republics. This is a completely new approach in economic practice, aimed at the future, consisting of strategic planning, strategic control and strategic information support with the focus on potential and foresight.

Analyzing the factors of socio-ecological-economic development of the depressive republics of the North Caucasus region, we recommend using an approach that serves as a further development of SWOT analysis. It admits the following provisions:

- the need to identify the distinguishing features of management object and available resources;
- along with external threats, it is necessary to identify potential threats and contradictions of the internal environment (Misakov & Betrozov, 2012; Tatarkin, 2011).

In the course of the study, we analyzed the Strategy of socio-economic development of the Kabardino-Balkarian Republic for the period of 2012-2020.

This is a typical republic, in many respects similar in terms of the parameters under study to the rest, the same land-poor, depressive republics of the region.

The fact that the developers of this strategy did not take into account the multivariate development of events in the external environment of the republic is striking, the scenario was not considered when they planned the development of the republic for the long term. Instead of disclosing the mechanisms for the set goal achievement, some components of legal, information and financial mechanisms are provided only in two provisions of the complex strategy under consideration. There are also no systems for monitoring and control the effectiveness of the strategy implementation.

It is obvious that the developers used only their own skills, experience and templates, while ignoring modern guidelines. Roughly the same structure, conceptual apparatus and the same approaches to writing the Strategy in all other republics of the North Caucasus, without an exception.

In our opinion, the strategies under consideration did not become a system-forming document, because they were drawn up without the participation of business structures, scientific and civil society. Of course, this does not allow for a dynamic and coordinated development of all spheres of life in the region.

It seems to us that it is necessary to develop and implement strategic plans in each municipal district in the form of forecasting and analytical documents. This approach will provide an opportunity for a long-term vision, to form the desired prototype for the further development of the territory, based on the fact that agricultural production is the basic industry in rural areas.

Conclusions and offers

Our study allows us to conclude that the strategic approach acts as an interdisciplinary scientific trend and is based on a comprehensive study of complex socio-economic objects. The thing is about the synthesis of a number of scientific theories, concepts and methods, in which objects (in our case, depressive republics) are considered as a purposeful system that has a reasonable vector of development in terms of a given goal achievement.

This approach allowed us to formulate a number of significant system-wide provisions to develop effective systems of object strategic management, which are a set of interconnected elements with a certain hierarchical structure, as well as to reveal the content and significance of the strategic



management system, to determine the tasks and key stages of territorial planning, etc.

The modified methodology of strategic management of depressive republics proposed by us differs from others as it assumes a system-decomposition approach and multilevel spatial analysis, a strategic choice of an optimal scenario by the means of multi-criteria diagnostics of the current situation assessment.

Undoubtedly, the success of the regional socio-ecological-economic system management depends on the development of organizational systems that have the social status of institutions. The thing is about an institutional approach, in which the region, acting as an independent administrative unit, should be considered as a complex socio-ecological-economic system with a multipurpose purpose, a certain hierarchical structure, diverse relations with the external environment, and also with its own uniqueness and specificity.

Directly, the development strategy of the region can be considered as the main link between the region goals and the line of behavior taken to implement the goals. The very sub-process of building a strategy for the socio-ecological-economic development of the region is called "strategic planning", which consists of the following stages:

- analysis of the current state of the internal atmosphere and the environment of the region (system);
- building the desired prototype of the region (system) in the future for the planned period of time;
- the development of a set of measures and actions necessary to transform the current socio-ecological-economic situation of the region (system) into the prototype state.

From the abovementioned, it follows that strategic management is aimed at a long-term perspective, its characteristic feature is the need for practical implementation of the set long-term goals by real potential mobilization and the region competitive advantage development.

Conflict of interests

The authors declare no conflicts of interests.

References

Aaker, D. (2003). *Strategic market management / Translation from English*. Ed. by Yu.N. Kapturevsky. - SPb: Peter, - 544 p.

Afanasyev, V.G. (1980). *Consistency and society*. - M.: Mysl, - 368 p.

Barancheev, V.P. (1998). Strategic analysis. *Problems of management theory and practice*, 5, 85-91.

Bell, D. (2004). *The coming post-industrial society. Experience of social forecasting / Translation from English*. Ed. by V.L. Inozemtsev. - M.: Academy, - 788 p.

Cardina, S.G. (2004). Institutional structure of modern Russia: evolutionary modernization. *Economic Issues*, 10, 89-98.

Davankov, A.Yu., Vereshchagina, T.A., & Gryazev, M.A. (2010). Socio-ecological-economic efficiency of the territory. *Economic analysis: theory and practice*, 12, 11-18.

Gauzhaev, A.Z., Mairov, A.Yu., & Misakov, V.S. (2013). Institutional and organizational context of modernization strategy for the development of regional industrial complexes. *Terra Economicus*, 11(2-2), 62-66.

Kornai, J. (2002). System paradigm. *Economic Issues*, 4, 4-22.

Misakov, V.S., & Betrozov, M.Kh. (2012). Factors and conditions contributing to the growth of threats to the economic security of the regional economy. *Terra Economicus*, 10(4-3), 169-172.

Misakov, V.S., & Inalov, B.A.M., & Eskarkhanov, L.U. (2013). The role and content of the risk management system. *Terra Economicus*, 11(2-2), 28-32.

Saveliev, Yu.V. (2014). *The role of globalization in transforming the content of territorial strategic planning in Russia*. International scientific conference "Humanism, globalism and the future of Russia." - M., 187-195.

Tatarkin, A.I. (2011). Region as a self-developing socio-economic system: transition through the crisis. *Economy of the region*, 1, 15-23.

Turova, L.A., Musaev, M.M., Kushkhov, A.P., Misakov, A.V., & Misakov, V.S. (2019). Ecological settlements as one of perspective forms for Russia rural territory multifunctional development. *International Transaction Journal of Engineering, Management and Applied Sciences and Technologies*, 10(1), 135-142.

Vikhansky, O.S. (2000). *Strategic management*. - M.: Gardariki, - 296 p.

Zibarev, A.G. (1998). *The systematic approach to modern social and economic problem solution*. Market economy: state, problems, prospects. - Samara: IPO SSAU, 5-11.