The Innovative Instruments for Implementing the Strategy of Social and Economic Development of the Depressed Region

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Abstract—This article reveals the issues of substantiation of strategic priorities and tasks of socio-economic development of the Republic of Adygea, which belongs to the group of regions of the depressive type. The features of strategic management of socio-economic development of the Republic of Adygea, problems of implementation of the strategy of social and economic development of this region are highlighted. Innovative instruments for implementing the strategy of socio-economic development of a depressed region are presented. They are: cluster structures, regional projects, technological platforms for introducing innovations, innovative forms of state support for social projects (including a specialized technology platform, crowdfunding in the region), forms of infrastructure for social entrepreneurship and civil interaction (including co–working platforms for interaction between public institutions and business), a regional crowdfunding platform for the implementation of socially significant and socially useful projects, comprehensive state programs for solving cross-sectoral problems of strategic development of the region, forms of public-private partnership, project development institutions, etc.

Keywords—strategic priorities, instruments, strategy, socio-economic development, depressed region, the Republic of Adygea, organizational and managerial innovations.

I. INTRODUCTION

The problem of strategic management of territorial development of the Russian Federation is actualized in the context of the impact of crisis factors, reduction of regional budget opportunities and the growth of Russian regions differentiation by the level of socio-economic development. Strategic planning of territorial development determines the general directions of development and long-term development of individual industries, sectors, clusters of regions in contemporary Russia. At the same time, the effectiveness of the strategy for socio-economic development of the region largely depends on the level of scientific and practical validity of the mechanisms and instruments for its implementation.

One of the key elements of regional strategic management system is the instruments for regulating socio-economic processes, which are a set of ways, methods and forms of regulatory impact of state authorities on the processes of socio-economic development of territories to achieve their goals and objectives. At the same time, a set of institutions and instruments forms the economic mechanism of state regulation of the development of territories.

II. METHODOLOGY

The instrumental and methodological apparatus for investigating the stated problem includes various cognitive instruments of the system-functional approach to the analysis of the processes of strategic management of regional economic systems. The methods of institutional and strategic analysis were used to determine the specific features of strategic management of socio-economic development of the depressed regions. The methods of strategic and instrumental design were used for justifying the forms and instruments of strategic management of regional economic development.

The solving problems of strategic management of territorial development is widely presented in the domestic and foreign economic literature. In particular, in the Russian economic science we should highlight the theory of regional strategizing (Granberg A. G.) [1], the theory of advanced development strategy (Glazyev S. Yu.) [2], the theory of integrative strategizing (Tatarkin A. I.) [3], the theory of strategic competitiveness (Fatkhutdinov R. A.) [4], which
form the conceptual basis for the development and implementation of strategies for regional socio-economic development. Foreign schools of strategic management include the theory of strategic foresight (Schumpeter Y.) [5], the theory of strategic understanding (Andrews K.) [6], the theory of strategic planning (Ansoff I.) [7], the theory of strategic transformation (Mintzberg G., Chandler A.) [8]. Such scientists and economists as G. B. Kleiner, I. D. Turgel, M. Porter, I. Ansoff, and A. J. Strickland made a great contribution to the formation and development of the theoretical foundations of strategic management at the meso-level [9].

III. RESULTS AND DISCUSSION

A. Strategic Priorities and Tasks of Socio-Economic Development of the Republic of Adygea as a Depressed Region

The specifics of the Republic of Adygea as a depressed (problematic) region in the South of Russia affect the system of strategic management of the territorial economy. Characteristic features of the depressed region are: deformed structure of production; long-term lack of solutions for the structural organization of the economy, effective state regulation of the proportions of inter-industry exchange, competitive environment of local markets; weak development of the region's production infrastructure; extensive reproduction in the agricultural and food industries; deficit of budget sources of project financing with a low level of investment activity [10]. At the same time, the regional specifics of the socio-economic complex of the Republic of Adygea are determined by the enclave positioning within the Krasnodar territory and significant natural resource potential [11].

Depressive regions are characterized by significant structural imbalances, uneven territorial and sectoral development due to systemic problems associated with ill-conceived economic policies at the macro- and meso-levels, and the consequences of the transformation of property relations against the background of a decrease in the budget security of the regions and the growth of interregional competition for resources and capital. Also, depressed regions are characterized by a low level of investment in fixed assets, a significant proportion of the population with incomes below the subsistence minimum.

Reproduction processes in the Republic of Adygea are characterized by unstable dynamics due to both the macroeconomic situation, reduced budget security, and regional specifics. The key factors limiting the development of reproduction processes in the Republic of Adygea are: structural imbalances in the development of territorial and industrial complexes, sectors of the economy; low level of development of production infrastructure; lack of qualified personnel; insufficient level of state subsidies to producers of priority sectors of the economy.

Sustainable development of economic processes at the macro- and meso- levels involves the use of both traditional and innovative mechanisms and strategic management instruments (including forecast-analytical and institutional ones) that take into account the problems, strategic directions and tasks of territorial development. The main document of strategic planning for the development of the Republic of Adygea is the strategy of socio-economic development of the Republic of Adygea until 2030. (hereinafter – the Strategy), which regulates priority directions, a set of organizational and economic measures and instruments for state regulation of economic processes [12].

Strategic priorities of socio-economic development of the Republic of Adygea within the Strategy are: creation of a favourable regional investment environment, increase investment activity in the region; stimulating the development of innovation infrastructure; creating comfortable environment for living of the population and the development of engineering, resort infrastructure, etc [13].

A set of tasks and activities for the implementation of the Strategy are disclosed in the action plan, indicating the deadlines, responsible performers and expected results. Based on the action plan for the implementation of the Strategy, it is planned to make changes to the implemented state programs, as well as develop new state programs in the region. In this context, it is necessary to ensure the interconnection and regular coordinated updates Of the strategy, action plan And state programs for the socio-economic development of the region.

In accordance with the action plan for the implementation of the strategy of socio-economic development of the Republic of Adygea until 2030, the key strategic objectives of the region's development are:

- increasing the level of investment attractiveness of the Republic of Adygea; establishing the Republic of Adygea as a region characterized by an effective investment environment, a balanced development budget, and low dependency on the Federal budget;
- modernization of production assets in priority sectors of the region's economy;
- formation of a rational, competitive agro-industrial production based on the use of modern technologies at all stages of production and marketing of its own products;
- formation of the region as an all-season center of active, ecological, educational, event, medical and health tourism, children, youth and family recreation, one of the centers of tourism in the Russian Federation and an important element of the tourist and recreational cluster of the South pole.;
- formation of an effectively used living space for the local population and guests of the Republic of Adygea and the Krasnodar territory with a high capitalization and permeability of the territory;
- creating an institutional environment for the development of small and medium-sized businesses and export-oriented production in the region;
- increasing the level of foreign economic activity in the region;
- formation of the Republic of Adygea as a region with its own developed electric power industry and an efficient electric grid economy that provides the needs of the economy and population with energy based on a combination of innovative development of traditional energy and intensive introduction of “green energy” technologies;
• development of scientific, technological and innovative infrastructure that ensures the competitiveness of the Republic of Adygea;

• formation of a balanced system of public and private institutions, a developed entrepreneurial culture; formation of optimal business conditions in the region, development of horizontal and vertical links between business structures of different scales; creation of comfortable conditions for the development of civil society in the region.

In accordance with the strategy, enlarged tasks and organizational and economic measures for the development of key territorial production complexes (TPC) of the Republic of Adygea are highlighted (Table I).

### TABLE I. KEY STRATEGIC OBJECTIVES AND MEASURES OF SOCIO-ECONOMIC DEVELOPMENT OF THE AODYGEA REPUBLIC’S INDUSTRIAL COMPLEXES (IN ACCORDANCE WITH THE STRATEGY BEING IMPLEMENTED)

<table>
<thead>
<tr>
<th>Strategic objectives of development of the TIC</th>
<th>Measures for the implementation of objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agro-industrial complex (AIC)</td>
<td></td>
</tr>
<tr>
<td>Increasing in the production volume and improving the quality of livestock and crop production</td>
<td>Stimulating the development of agribusiness industries under the sub-program “development of agribusiness industries”</td>
</tr>
<tr>
<td>Developing the cooperation and integration processes in the agro-industrial complex; forming the territorial clusters</td>
<td>Ensuring awareness of small and medium-sized businesses and the population of rural areas about state support measures for agribusiness</td>
</tr>
<tr>
<td>Modernization of the material and technical base of the agro-industrial complex</td>
<td>State stimulation of purchase of agricultural machinery and equipment by agricultural producers</td>
</tr>
<tr>
<td>Increasing of capacities for storage and primary processing of agricultural product; trade and logistics centers developing</td>
<td>Implementation of the subprogram “Stimulating investment activity in the agro-industrial complex” of the Republic of Adygea</td>
</tr>
<tr>
<td>Improving the quality of rural land improvement</td>
<td>Integrated improvement of rural settlements, development of social and engineering infrastructure; implementation of the sub-program “Creating conditions for providing affordable and comfortable housing” of the program “Integrated rural development”</td>
</tr>
<tr>
<td>Ensuring rational use of natural resources, environmental friendliness of production</td>
<td>Ensuring phytosanitary well-being in the Republic within the framework of the subprogram “development of agricultural industries”; providing production and investment sites with engineering infrastructure</td>
</tr>
<tr>
<td>Industrial complex (IC)</td>
<td></td>
</tr>
<tr>
<td>Creating conditions for deep processing of raw materials by organizations in the IC</td>
<td>Measures to create a system of innovative development of a complex of industries, interaction of science with production</td>
</tr>
<tr>
<td>Improving the product competitiveness in the IC; creating an effective promotion system in the IC</td>
<td>Implementation of regional projects “Industrial exports in the Republic of Adygea”, “System measures to increase labor productivity”, “Targeted support for improving labor productivity at enterprises”;</td>
</tr>
<tr>
<td>Implementation of flagship industrial projects focused on the development needs of the agro-industrial complex, tourist and recreational complex in Adygea and neighboring regions</td>
<td>Selection and support of effective projects, attraction of corporate investors, application of state support and PPP mechanisms in project implementation</td>
</tr>
</tbody>
</table>

The priority tasks of the socio-economic development of the Republic of Adygea are also to build institutions of interregional and inter-municipal cooperation, to realize the potential of public-private partnership in the leading sectors of the region’s economy.

### B. The Features of Strategic Management of Socio-Economic Development of the Republic of Adygea

Federal support for the development of reproduction processes in the Republic of Adygea is provided by state programs, state development institutions, investment infrastructure, territorial development zones, and natural monopolies.

In accordance with the Federal law of 28.07.2014 No. 172–FZ “On strategic planning in the Russian Federation” and the law of the Republic of Adygea of 06.08.2015 No. 455 “On strategic planning in the Republic of Adygea”, the main instruments for implementing the strategy are strategic planning and programming documents:

- action plan for the implementation of the Strategy;
- forecast of socio-economic development of the Republic of Adygea for the long-term period up to 2030;
- forecast of the labor market needs of the Republic of Adygea for specialists in various fields;
- medium-term forecast of socio–economic development of the Republic of Adygea (including for 2019, 2020 and the planning period 2021-2022);
- state programs of socio-economic development of the region.

However, the territorial planning scheme of the Republic of Adygea, the General plan and the territorial planning
scheme of municipalities of the Republic of Adygea remain undeveloped.

The key instruments for implementing the Strategy are the plan of organizational and economic measures and the flagship projects being implemented. At the same time, flagship projects are catalysts for promising changes in the economy of the Republic of Adygea, as they are based on priority directions of strategic development, contributing to the growth of investment attractiveness of the region and the standard of living of the population.

Strategic management of reproduction processes in the Republic of Adygea is based on the use of traditional instruments of state regulation (state programs, territorial development plans, “road maps”), and innovative instruments in strategic planning documents are declarative in nature without specification to the institutional and economic conditions of the region. The process of program and target regulation of the economy of the Republic of Adygea is characterized by insufficient system and strategic orientation, which prevents the full realization of the region's competitive potential. Measures of program and target state support for the region's economy do not reflect current trends in digitalization and greening of reproduction at the meso-level, as well as the transition to an innovative model of regional economic development.

The structural division that performs strategic planning and implementation of strategic planning documents is the Department of strategic planning and state programs of the Ministry of economic development and trade of the Republic of Adygea, whose key functions are:

- making proposals for the development and implementation of state policy in the field of strategic management;
- organization of development and adjustment of the Strategy, as well as its implementation plan;
- organization of monitoring and control over the implementation of the Strategy and the Strategy implementation plan; identification of priorities for socio-economic development of the region in the context of changing global and macroeconomic factors;
- coordination of draft master plans for the development of territories and existing territorial planning schemes.

Thus, the features of strategic management of socio-economic development of the Republic of Adygea are:

- the lack of theoretical and methodological developments in forecasting the territorial development of reproduction processes in the region in the long term, taking into account the key factors of modern development;
- the absence of regional strategies for the development of priority industries, territorial and industrial complexes of the Republic of Adygea; the regional economic sectors in the conditions of adaptation to the market, the development of globalization processes operate without effective, clearly expressed state support from regional governmental authorities;
- orientation of the system of state support for the economy of the region of the depressed type at the expense of Federal target programs;
- the lack of innovative instruments in the strategy aimed at structural changes in industries, territorial and industrial complexes of the Republic of Adygea.

C. Specifics of State Programs as the Instrument for Implementing Strategic Priorities for the Development of the Depressed Region

The program–target approach of state regulation of the regional economy provides for the use of three instruments: the state target program (Federal, subject of the Russian Federation), the departmental target program, and the municipal program. The transition of the state regulation system of the Russian economy to a program–oriented budget increases the importance of municipal development programs. In 2019, 20 state programs of the Republic of Adygea were implemented in the Republic of Adygea in accordance with the list approved by the order of the Cabinet of Ministers of the Republic of Adygea dated 13.08.2013 No. 202-R “On the list of state programs of the Republic of Adygea”. The state programs of the Republic of Adygea in 2018–2019 were characterized by a high level of implementation efficiency in terms of the level of target indicators (indicators) (figure 1).

![Fig. 1. Results of the integrated assessment of the effectiveness of state programs of the Republic of Adygea in 2018-2019, %](image)

Under the domination of agricultural production in GRP of the Republic of Adygea the special significance for the development of this depressed region is a state program “Development of agriculture and regulation of markets of agricultural products, raw materials and food” for the years 2013-2021, which includes 5 routines designed to increase production and competitiveness of agricultural products, provision of investment attractiveness of the industry, creation of the comfortable living conditions in the rural areas [14].

- development of horticulture and fruit growing in the region (increased reimbursement of costs for laying and caring for perennial fruit and berry plantations);
- development of the Institute of farming as a condition for the formation of agricultural cooperation (the share of state support costs for novice farmers in the cost structure of the sub-program increased in 2018-2019 from 13.8% to 20.4%);
- development of family livestock farms based on K(f)X (the share of expenditures on state-owned farms increased in 2018-2019 from 2.2% to 12.5%);
• reduction of risks in crop production in the Republic of Adygea by introducing the practice of subsidizing insurance costs of agricultural producers from hail.

However, implementation of target indicators of the state program does not reflect the key issues of development of agriculture of the Republic of Adygea, including the preservation of structural imbalances in the development of complex, low level of development of agricultural cooperatives and vertical integration, innovation infrastructure development and agribusiness in the region.

The results of the analysis of program and target state support for economic sectors of the Republic of Adygea indicate the presence of organizational and methodological problems in the development and implementation of target programs [10]:

• insufficient level of integration of state programs in the budget process of the region;
• lack of indicators for evaluating the implementation of state target programs;
• non-compliance with the requirements for the content of state programs of the Republic of Adygea; shortcomings in the formation of reports on state target programs;
• sharp fluctuations in the dynamics of funding for subprograms aimed at state support for industries and sectors of the regional economy; difficulties in comparing and evaluating the effectiveness of subprograms when changing their list, as well as the main activities;
• General orientation of organizational and financial support for agricultural producers without division of activities, irregular use of its individual forms, reduced level of funding;
• lack of sufficient experience in programming the development of regional economic sectors; gaps in the regulatory framework for program and target planning in the region.

In addition, the widespread following issues of programme-targeted regulatory regions of depressed-type:

• failure to reach the planned values of target indicators due to the increase in cost and loss of individual plants, adverse climatic factors; limitations of indicators of assessment of implementation of target programs; changing approaches to subsidies on the macro–level; inadequate level of mainstreaming of programme activities in accordance with the strategic documents of development planning of the Republic of Adygea;
• the failure of planned funding program activities separate industries due to insufficient funding from the Federal budget for subsidies for co-financing, lack of applicants, eligible subsidy, and non-compliance by the borrower of conditions of the grant.

In the context of growing budget constraints in the depressed regions of modern Russia, the institutional factor of small business development is becoming increasingly important in ensuring their socio-economic stability, which has a key impact on regional competitiveness, reducing the unemployment rate, and increasing the real monetary income of the population [15]. However, the system of program and target regulation of the economy of the Republic of Adygea is characterized by an insufficient level of state support for small businesses, and does not reflect the specifics and problems of small businesses. At the level of the Republic of Adygea, state support for small and medium-sized businesses is regulated by the sub-program of the state program “economic development”, and indicators for evaluating its effectiveness do not reflect the real increase in the competitiveness of small businesses; municipal programs to support small and medium-sized businesses are implemented only in some regions of the Republic of Adygea.

D. Innovative Instruments for Strategic Management of the Development of a Depressed Region

As innovative instruments for strategic management of the region's development, we should highlight:

1) Cluster structures (including a catalytic cluster, a regional cluster of small enterprises): creating of a catalytic cluster for the production of goat's milk and fermented milk products, the core of which is the agricultural holding “Mirny”; creating of a tourist and recreational cluster.

2) Technological platforms for innovation implementation. Technological platforms are a form of cooperation between commercial structures, the state, scientific and educational organizations and are intended for the formation of state innovation policy in the region, expert support of innovative projects, promotion of domestic products in foreign markets.

3) Innovative forms of state support for social projects, including a specialized technology platform and crowdsourcing mechanism in the region.

4) Forms of infrastructure for social entrepreneurship and civil interaction, including coworking platforms for interaction between public institutions and business.

5) Regional crowdfunding platform for the implementation of socially significant and socially useful projects aimed at increasing the volume of social investment by businesses in the development of local communities without being included in the state program.

6) Regional projects, including “Promoting entrepreneurship in the Republic of Adygea”, “Acceleration of small and medium entrepreneurship”, “Digital public administration” (providing citizens access to public services, services under the state program “Digital development”), “Expansion of access of subjects of small and average business to financial support, including concessional financing” (including creation and development of regional guarantee, the development of microfinance institutions).

The current regional projects in the Republic of Adygea are the projects “Digital educational environment”, “Modern school”, “teacher of the future”, “Young professionals (Improving the competitiveness of professional education)” within the national project “Education”, as well as the projects “formation of a comfortable urban environment (Republic of Adygea)” and “Road network”.

Promising regional projects socio-economic development of the Republic of Adygea are “Promoting entrepreneurship in the Republic of Adygea”, “Acceleration of small and medium entrepreneurship”, “Digital public administration”, “improving the conditions of doing business”, “Expansion of
access of subjects of small and average business to financial support”; task, departmental program of development of branches, sectors of economy (including “Development of cooperation in agriculture of the Republic of Adygea”, “Development of the export potential of the Republic of Adygea”, etc.).

7) The complex state programs of solving cross-sectoral issues of strategic development of Republic of Adygea (including target program “Development of small and medium entrepreneurship in the Republic of Adygea”, “Development of export potential of the Republic of Adygea”, etc.). Appropriate development of the subprogrammes of state programs to the level of individual programs (regional, local levels).

8) Institutions of project development, created for the formation, expansion and strengthening of interregional socio-economic relations in order to implement innovative projects of interregional and international levels.

9) non-Governmental socially oriented non-profit organizations (SONKO) in the health and education system of the Republic of Adygea.

10) the Mechanism of venture financing. A special role is given to small businesses that implement venture projects, as well as their targeted state support. For effective use of venture financing, it is advisable to create an “investment and venture Fund of the Republic of Adygea”. The purpose of this Fund is to ensure the growth of the innovative potential of the Republic of Adygea, the development of high-tech industries, as well as the introduction of innovations in production. At the same time, the organization of venture financing should be carried out with a well-developed regulatory framework.

11) forms of public-private partnership (PPP) in priority sectors of the economy of the Republic of Adygea.

Realization of the potential of innovative clustering mechanisms and public-private partnership is in demand for the development of reproduction processes in the economy of a depressed region. However, the focus on the resources of Federal target programs and projects levels the motives, the lack of corporate co-financing of project activities levels the motives, stimulating regional management to diversify, innovativeness, increase the competitiveness and adaptability of economic sectors, while maintaining the region’s subsidized nature and the practice of economic dependency. Moreover, holding centralization and registration of large corporate businesses in Federal centers reduces the volume of budget revenues and the regularity of inter-industry proportions on the part of state authorities and the population of the region [16].

Innovative forms of strategic management of reproduction processes in the region are Project offices that perform a coordinating role at the interdepartmental level in implementing priority investment projects (in accordance with the Priorities of the strategy), creating and expanding investment platforms, attracting corporate investors, supporting investment projects, state support for export operations, and participating in the construction of logistics channels. The key functions of the Project office are: managing the implementation of investment projects in accordance with the priorities of territorial planning; efficient allocation of resources for the creation and development of infrastructure in the region; creation and expansion of investment sites in the region; support of social development projects in the region; comprehensive work to attract corporate investors, prepare investment projects, prepare infrastructure; development and implementation of cluster projects in the region; support of investment projects that involve interaction of investors with state authorities, state support for export operations, and participation in the construction of logistics channels.

IV. CONCLUSIONS

The key instruments of the state regulation of the economy of the Republic of Adygea remain Federal target programs, regional projects for the development of economic sectors against the background of the lack of experience in the use of innovative tools, their declarative nature is mentioned in the strategy of socio-economic development of the Republic of Adygea until 2030. At the same time, the process of program and target regulation of the economy of the Republic of Adygea is characterized by insufficient system and strategic orientation, which prevents the full realization of the region’s competitive potential. Measures of program and target state support for the region's economy do not reflect current trends in digitalization and greening of reproduction at the meso-level, as well as the transition to an innovative model of regional economic development. At the same time, the specification of innovative tools for state regulation of the economy of the Republic of Adygea in relation to the institutional and economic conditions of the region is in demand.

The directions of improvement of strategic management of reproduction processes in the Republic of Adygea are: updating of strategic directions of development; implementation of system transformations; expansion and adaptation of the strategic management tools to the territorial, sectoral, institutional and economic conditions of the region's economy of a depressive type. Of particular importance is the implementation of infrastructure PPP projects, regional projects, the creation of cluster structures in the agro-industrial, tourist and recreational complexes and in the wood-processing industry of the Republic of Adygea.

Innovative tools for implementing the strategy of socio-economic development of a depressed region are: cluster structures, regional projects, technological platforms for introducing innovations, innovative forms of state support for social projects (including a specialized technology platform, crowdsourcing in the region), forms of infrastructure for social entrepreneurship and civil interaction (including co-working platforms for interaction between public institutions and business), a regional crowdfunding platform for the implementation of socially significant and socially useful projects, comprehensive state programs for solving cross-sectoral problems of strategic development of the region, forms of public-private partnership, project development institutions, etc.

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