

## The Theoretical Bases of Management of Socio-Economic Modernization of the Region

<sup>1</sup>Arsen A. Tatuev, <sup>2</sup>Violetta V. Rokotyanskaya, <sup>3</sup>Natalia N. Kiseleva,  
<sup>1</sup>Zhankaziev Anzor Hasanbievich and <sup>2</sup>Atabaeva Sh. Anvarovna  
<sup>1</sup>Kabardino-Balkarian State University,  
Chernyshevskogo St., 173, 360004 Nalchik, Russia  
<sup>2</sup>Moscow State University of Food Production,  
Volokolamskoye sh., 11, 125080 Moscow, Russia  
<sup>3</sup>Russian Academy of National Economy,  
Dunaevsky St., 5, 357502 Pyatigorsk, Stavropol Region, Russia

---

**Abstract:** Due to the uneven formation of preconditions for the transition to a postindustrial society and the knowledge economy in the Russian regions and so will increase their excessive differentiation. Therefore, the upcoming modernization of the socio-economic development of Russia will inevitably be accompanied by the emergence of new and worsening of existing contradictions in different directions and the system level. The article is disclosed, based on deductive analysis that despite the variety of historical conditions, factors and conditions for the modernization of the regional economy for the Russian reality, there is a hard limit selected only one scenario, an innovative, if you cannot implement other proven in the world scenarios (moderately conservative, investment, project-conservative) for reasons of significant distortions of reproduction and keeping up with world-class performance that allows us to refine and universalize the regional strategies of socio-economic modernization of the short and long term. The research as a methodological framework applied a systematic approach that allows to provide the organic unity of all sections of the study and identified the causal forward and backward linkages.

**Key words:** Region, the modernization of the region, the historical background, the factors of modernization of the regional economy

---

### INTRODUCTION

The current socio-economic development of many regions of the Russian Federation can hardly be called a success or even satisfactory. At the same time, an analysis of the economic situation in these regions tells about low rates of economic growth and its negative qualities, impermissible for a modern and developed economy. Similarly, a negative indicator is the nature of the formation and growth of gross domestic product. For example, the total gross regional product of Russia has a very large share is formed due to the export of energy and raw materials. These are shares in the gross regional product in a favorable world market conditions for resources (which is observed the last few decades) and contributes to the dynamic growth of the economy, both individual regions and the country as a whole. However, the scope of economic activities that create high value added products and forming higher value-added,

knowledge-intensive and innovation practically not represented in the total volume of gross regional product of the state (with the exception of the military-industrial complexes and space). Some experts says the problem of technical-technological and economic trends put the basis for the modern problems of socio-economic development of regions and Russia as a whole (Abramov, 2014; Tatuev, 2012). However in the researcher's opinion, these views do not necessarily complete because the problem lies much deeper, namely in the technical and technological aspects of the organization of economic and socio-economic structures of society as well as in the institutional environment in which the formation and operation of these structures.

### METHODS

The study as a methodological framework applied a systematic approach. It is possible to ensure the organic

unity of all sections of the study and identified the causal forward and backward linkages. The most actively used in the work of such specific research methods as analysis and synthesis, induction and deduction and theoretical generalization, calculation and design of construction, comparison, statistical categories, the functional analysis of trends in absolute and relative values, analytical and graphic art. For improving the efficiency of the methods used by the technical capabilities of the Operating System Software Microsoft. In general, application of research provided the necessary arguments and the validity of the theoretical conclusions and practical suggestions.

### MAIN PART

**The genesis of the concept of modernization:** At the present stage of development of the Russian economic system, urgency, issues related to the socio-economic modernization of the country. The importance of these issues has been grounded in the President's Message to the Federal Assembly of the Russian Federation in 2013. The main theme of the Message was dedicated to the modernization process of the development of Russia and all of its components: economic, political, social, foreign economic and international relations. However, the Message is not clear it was stated instruments and mechanisms for the tasks. Therefore, to develop effective measures of modernization of the country and its regions, you need to fully understand the values category of "modernization" its methodological and theoretical premises. Upgrade a change in accordance with the latest modern requirements and standards (<http://slovari.yandex.ru/>). The word "modernization" comes from the French «modern», literally means the newest, modern. Currently, the word «modernization» is begun to attach meaning, putting the term in a row with such concepts as restructuring and acceleration.

The need for modernization of the economy always occurs when there is a backlog which makes the economy is not enough efficient, sustainable and competitive. At the same time, the need of modernization of Russian economy is ongoing. This is due to the nature of the development of the country, namely catching up model of economic progress. This model implies an objective borrowing from the more developed countries of the latest models of equipment, technologies, organizational solutions and their practical use in the domestic economy (Tatuev, 2015).

It should be understood that modern Russia has all the conditions for their own innovation. And this is a wonderful confirmation of achievements in aerospace and military-industrial complex whose products are in

their quality characteristics is unique world. But in general in relation to the economy and other industries, modernization is a pressing social and economic problem (Abramov, 2014).

In the study of D.A. Medvedev have been identified five strategic directions for the modernization of Russia. Firstly, the emergence of Russia as a leader on the production efficiency, transportation and use of energy. Secondly, preservation and removal of a qualitatively new level of nuclear technology. Thirdly, the direction has been set to achieve new milestones in the information technology development. It was also named the goal-to make a serious impact on the development of global public data networks, using supercomputers and other necessary material base. Fourth, it was indicated the information infrastructure development (ground and space) of transfer all kinds of data which allows to perform various tasks from the tourist and to scientific research. Fifth to as given another direction-to achieve leading positions in the production of certain medical equipment types, sophisticated diagnostic tools, medicines for the treatment of viral, cardiovascular, cancer and neurological diseases.

In addition to these five major high-tech areas of modernization of the Russian economy in the study it was also seen the need for attention in terms of modernization and the most important traditional industries of the Russian economy.

However, the problem of modernization is larger and complicated. Modernization a break from the initial state to the final state, a certain ideal. Modernization the process of motion vector from the start point to the end. The starting point to represent the country with its history, problems, opportunities. The final point is the ideal of modernity that can be transformed. Sometimes, the final state is subjected to rapid changes of modernization. For example, several years ago, the ideal of modernization of the economy of post-industrial state was considered the most powerful and liberalized financial sector. But the current global financial crisis dramatically changed the priorities of development, assigning the same ideal target negative.

The processes of modernization not limited by technical and technological modernization and inevitably accompanied by changes in the socio-economic relations and management systems and economic systems. It is very often that precedes and improving governance is a prerequisite for modernization of equipment and technology. And together the modernization of technical and technological processes and management are closely linked to changes in the social life with the task of improving the level of material well-being of the

population, overcoming poverty, improving education and health systems as well as positive changes in the mentality of society as human capital to creating conditions for the realization of its creative potential.

Modernization is a complex issue and in the reflection of the interaction between the federal center and the regions. In this aspect in the modernization task country as a whole and the individual regions in particular is seriously different. For Russia at the present stage the most topical issues of diversification of the sectoral structure and reducing its resource and export component. At the same time one of the most difficult issues is the modernization of the machine-building complex. This complexity is due to a high degree of depreciation of fixed assets and substantial technological lag. What is substantially difficult conclusion to the current level of the automotive industry, production of machinery for agriculture, machine tools, industrial machinery.

In the current situation, it is much easier to focus on the modernization and diversification of economy sectors by accelerating the development of modern high-tech industries based on intellectual, educational and creative potential of scientists and engineers in the most modern, high-tech industries-electronics, remote control, bio-engineering, chemical engineering. However, within the region as already noted, the problem of modernization can be substantially different. The data problem is largely dependent on the nature of each region: the central or peripheral, industrial or agro-industrial, economic development or depressed, Southern or Northern, Western or Eastern, etc.

At the level of individual companies modernization involves the introduction of a new high-tech production, production of competitive products, the conquest of new markets, etc.

**The main objectives of modernization of the region:** It is understood that in the process of economy modernization there is a realization of strategic (long-term) country interests and the entire population. At the same time these interests have their owners and representatives. In this situation, the state must protect national interests, the interests of the country and the people. However, modern public choice theory provides a good understanding of how the change in government policy not only under the influence of national needs but also by changing the set of private interests of various groups of "lite" a similar set of private interests often includes the state interests apparatus and government officials. It is very often occur situations that the interests of the elite do not coincide with the interests of the nation while engaging them in conflict. As a result, there is a certain conflict situation.

This situation greatly exacerbated by the process of "merging" of various business structures with the state apparatus as well as the participation of high-ranking officials in the ownership of major companies and major economic organizations, corporations.

In such a situation occurring phenomenon when officials, on which the scarce resources redistribution for the modernization of the economy on the development of high-tech industries to increase the share of production of high technology and high added value are not interested in the direction of these funds in the listed sectors if, for example, their private interests are not met by such actions (for example they are more interesting development of the fuel and energy sector and traditional industries).

In the modern Russian society, there is a perception that the state is certain under-society force, master-the real owner of the national wealth is subject to its own interests the behavior of all other economic operators. However in accordance with the provisions of modern science, the state is the only agent to hire people for the presentation and implementation of national interests, establishing the institutional environment for the economy, specification and protection of property rights. And the agent must remain under the control of the whole society. This is the most important condition for ensuring normal social and economic state development, limiting excessive selfishness of state structures. This condition creates the preconditions for the formation and effective functioning of the dispute settlement mechanism of genuine national interests and private interests "of the ruling elite." The above has particular value in the terms of economic modernization. Since, the implementation of the modernization programs and their effect may be felt for a considerable time over a period much longer than the political cycle (the period from one election to another). The implementation of long-term economic interests by modernizing, therefore, requires a truly national approach which represent a true national economic interests. Technical-technological and socio-economic modernization are so closely linked that the issue of the primary and secondary between them is hardly appropriate. So, the processes of modernization in the techniques and technologies cause significant changes in the socio-economic aspects of society. For example, under the influence of modern information revolution and the widespread diffusion of the internet there have been significant changes in society and the economy. On the other hand, the modernization of social and economic relations is an essential prerequisite for the occurrence of qualitative changes in the technical and technological environment.

Thus, a prerequisite in the economy modernization is the mass perception of it as an imperative in the economic policy of the state and behavior, decision-making corporations, firms, individuals. These national programs in education, health, agriculture and housing should be seen as part of a general and large-scale national modernization program that these constituents are not exhaustive. World practice shows that modernization initiatives often come from small and medium-sized enterprises. At the same time as a rule, large enterprises (corporations) more often than not tend to be the upgrade, since by virtue of their size they are able to make a profit on the old terms. In turn we can say that the increase in the number of small businesses in the economy of a country or region, helps to build momentum force modernization. In this competitive environment of small business is protected from the adverse effects of monopolistic companies, makes the problem of modernization of the enterprises in question their survival and successful functioning. But it's worth noting that all the same the world experience shows that the implementation of the functions modernization of small firms (small and medium-sized businesses), requires a number of important factors. These factors are: a favorable investment climate, gentle and stimulating the modernization of the tax system, effective protection of property rights and competitive conditions. That is the fulfillment of these factors on the present day and is a major problem for many regions of Russia.

In general, such a global experience indicates an increase in the role of small business in the course of modernization of the country. As this indicates an increase in the role of small business in the socio-economic system of the country, in the formation of economic policy, in the legislation as a whole on the political life of society. Modernization of social and economic system includes the growth of public confidence in the government, banks, business. At the same time, modernization implies the liberation of socio-economic relations of paternalism, dependency, the hope that someone will provide prosperity without tension, searching, the efforts of the economic entity.

As already stated, the objectives and tasks of economic modernization of the region have significant differences, determined by the level of socio-economic development of each region and in particular the presence in it of certain resources. At the same time, it is in modernization at the regional level, small business becomes its primary importance. After all, the main social importance of small business is the provision of employment and the formation of the middle class, contributing to the stability of society. However with all

the importance of small and medium business in the processing of agricultural, forestry, municipal and transport services remains unsolved problem of innovation resource small business-the creation of small research and production companies whose function would search for the development and use of scientific and technological innovations to upgradethe product range, processes, development of production with high technology (Fetisov, 2006).

**Modernization of regional industries:** Also at the regional level, a significant problem is to upgrade traditional industries. Experience shows that the bankruptcy procedure and the involvement of foreign investors do not solve the problem. It needs a radically new approach. Force research institutions, corps of engineers, economists and other professionals need to develop and justify the modernization projects, a kind of business plan, focused on the latest technological and organizational solutions. And then for these projects and business plans to seek effective investors and owners by providing preferences and privileges for projects. Private property and market relations does not exclude the participation of local authorities in the modernization of the economy.

Modernization of agriculture on the regional level also has its own characteristics. As well as small business enterprises, farms also contribute to the growth of volumes of production and the increase in the number of the employed population which leads to higher standards of living and to stabilize society. However, experience shows that small farmers do not have the capacity for the timely development and use of modern techniques and technologies. This requires a larger scale of production, the volume of financial resources and the size of the scientific and technical potential. It is possible to go towards the creation of an agricultural area in each model of the enterprise, using modern techniques and technologies to achieve that in the future to provide guidance in addressing the challenges of modernization of other farms. Also, geographical and transport situation in the region is of particular importance for the formation of a favorable investment climate and investments attraction to the region. This requires studying the feasibility of establishing a regional Science and Technology Center whose function would search for new technological projects and investors for their realization in modern science, remote control, communications, new materials.

All directions, methods, forms of modernization of the economy and suggest the presence of a constant build-up of cultural and educational potential of the

region. Therefore, the development of institutions of science and education, improving the educational and vocational training of the population, along with its involvement in the discussion and solution of the problems of socio-economic development of the region are a prerequisite for the successful modernization of the economy. In the process of developing strategies for socio-economic modernization of the Russian Federation and its regions separately there are problems associated with the controversy long and short term goals of modernization.

Topical issues of modernization in the broader context of the tasks based on the formation conditions of the safety of people and the state. For example, during recent years sociological studies show that due to the unbalanced development of the socio-economic system of the country and separate regions, a significant proportion of the population increased emigre and separatist sentiments. The growth of such sentiments peculiar to regions with a predominantly Russian population which is unacceptable in such a multinational state as Russia.

Today, there are many works devoted to the modernization of the economy and modernization of regional development. In the similar works neglected contradictions of social development of the territories.

This is largely due to the complexity of simultaneous and interrelated presentation of technical and technological, organizational and socio-economic processes. Even less these issues worked out with regard to the specifics of regional development.

In turn, the inconsistency of the current economic and social reform and fully with the strong resistance of the ruling elite, led to an overall decrease in the effect of the reforms the 90s. As a consequence this led to a reduction or to the absence of clear improvements in the lives of many social groups. Therefore, at the moment the main objectives of the modernization of the country's economy and regions, it is the rationale and how to harmonize the definition of long-term and short-term interests in the modernization of technical and technological organizational and socio-economic structures.

At the same time, the value of this experience for the modern upgrading is in inverse proportion to the point where the object is located relative to the modernization of the past.

According to researchers, today the world civilization is in the final stage of the grand civilizational transition described by three terms: urbanization, industrialization and globalization. Completion of this phase should lead to the formation of radically new world system.

At the time, the process of civilizational transition has led to the formation of an enormous amount of energy, originated on a background of a huge human mass migration to the cities where their strength and entrepreneurial spirit have created a significant multiplier effect on the capabilities of the industry rapidly. This rapid expansion of global markets, the emergence of new sources of raw materials and the international division of labor to make this process historical power and duration. To maintain controllability of the power we had to establish the bureaucratic apparatus of power, a system of universal education, the development of mass media, the establishment of institutions of social solidarity and control of power. All this has led to the emergence of a new category "the nation". This nation has become a major actor on the world stage. At the same time one of the earliest and most rapidly formed nations continuously carried out modernization. And the character of modernization has been subjected to constant evolution as mechanisms of modernization, relevant in the past, became a brake in the present. It is worth noting that due to the modernization of humanity has moved from an agrarian society to an industrial one. It is known that for the first time in the world the word "modernization" was named the process of scientific management changes in the society in 1770, the French philosopher Marquis de Condorcet. But only in 1950 was the subject of the modernization of the world of ideas and minds. This happened when the universities of England and the United States began to form strong schools under the supervision of sociologists Talcott Parsons, Edward Shils and Ralf Dahrendorf, a political scientist Lucian Pye and Walt Rostow economist.

These schools were created by modernization theory, based on the single line as interpreted classical postulates everything in nature moves in steps of progressive sophistication and perfection social peace is to balance the final stage, characterized by rationalism control complex division of labor, industrial economy, liberal democracy, gender equality, the extinction of class, religious and ethnic conflicts, mass consumption.

In the Soviet Union, there was their own idea of modernization, represented in the form of theories of "developed socialism" and «social orientation» for third world countries. At the same time, both approaches have not been successful. At the turn of the end of 20th and beginning of 21st century, great hopes were pinned on the development of high technologies. However, this area and to this day has failed to lead to a substantial modernization of the global economy. And change in thereal economy are not comparable to those which were once called the invention of steam engines, internal

combustion engines and electrical complex. Today's global financial crisis is seen as a crisis of neo-liberal globalization. Question of vector modern changing world order and the vector of its parts remain open. In many respects, it depends on three key industrial wave phenomena: the state, capitalism, democracy. Thus, both the state and capitalism and democracy is largely based on the enormous energy released in the course of urbanization nations-industrial transition. Today, however this energy is gradually becoming smaller. State loses financial support and loyalty to the ruling elites as well as reduced the ideological support of the masses. Capitalism is the engine of the market economy begins to experience various kinds of problems. Democracy has become subject to various kinds of overloads occurring because of problems in the state and capitalism. Against the background of systemic problems in the world economy, the effective modernization of Russia and its regions is possible only if the right to determine the future direction of the global system.

As already mentioned, Russia is peculiar to the process of continuous modernization because of its catch-up development. The most vibrant periods of modernization in Russia are oppressive color. These periods were in the times of Ivan the Terrible, Peter I and Stalin. And all break throughs eventually brought the national economy to a standstill on the account of created earlier success and do not let go to a new stage of historical development. However, today it is not clear where will be a new stage of the global economic system that began amid the global financial crisis. And it greatly complicates the choice of the direction of the development vector of socio-economic system of Russia and its regions.

So, all modernization in the world can be divided into three types: catching, organic and revolutionary. The character of the revolutionary modernization derives from the name. But the nature of the organic and catch-up modernization to better understand the differences between them should be considered in comparison. For example, the development of post-war Japan and South Korea were essentially catching character as both countries followed the American type of development. However, Japan attached great importance to the role of business and the business was more independent. But South Korea's business was created and controlled by the government. This in the role of the state, according to some academics, lies the difference between organic and catch-up type of development. At the same time, the flexibility of the economic system which has an organic style modernization is significantly higher than the system

which is built on the modernization of catching style. In turn, the system of catch-up role of the state increases the likelihood of error or wrong path selection mechanism of modernization and increases systemic risk, especially in the phase of reducing the rate of growth of the economy and its exit from the stage of accelerated growth.

On this basis, it should be assumed that the organic modernization is most desirable. However in the circumstances of uncertainty directions of further development of the global economic system, the initiative will be in the hands of those States that will set a new tempo and vectors of the world system. Russia must become one of these states as it has for good resources. At the same time, the basis of Russia's modernization must become effective modernization of its regions.

International practice and past experience of reforming Russia's economy showed that the market itself is not able to put everything in its place. From the standpoint of the public interest any economic mechanisms are only tools to achieve the desired results. Therefore, the modernization of the Russian economy and its regions is absolutely not believed that the market will do everything itself. As already was mentioned any economic system can be regarded as effective only if it contributes to the fundamental values of society: the creation of a high level and quality of life; organization of harmonious social relations in society; stabilize the growth dynamics of the socio-economic system, etc. However not every market economy meets the named criteria. This is because in a market economy requires an appropriate adjustment of market mechanisms mature system of market institutions, strong social background. Therefore, we can conclude that any effective market system should be built. The effective market system is the product of deliberate actions of public authorities aimed at compensation for the shortcomings of market exposure. Thus, one of the main functions of the state in the modernization implementation of the economy is a strategic goal-setting. It should be remembered that the absence of clear guidelines or directions of their choice inevitably leads to negative manifestations in the life and development of the whole society which is well illustrated by the history of the last decades. On this basis, it should be concluded that the need for a strategic document justifying and approving the main objectives of the long-term modernization of the economy and the social sphere, the achievement of which is necessary for the formation of a sustainable society and an effective competitive economy of the country as a whole and individual regions. However, only the purpose of fixing the social and economic modernization in the strategy document is not sufficient. It is necessary to carry out a

complex of measures on development of economic, social and legal measures aimed at achieving the set targets. In addition, it should be understood that the strategy of modernization of the economy and its regions should have a management system implementing it, the basis of which should be based on the mechanism of interaction of public authorities, local governments, businesses and households. The first document, vaguely reminiscent of the strategy of modernization of the Russian reality was the project “the main directions of socio-economic development of the Russian Federation for the long term” which was prepared by the Center for Strategic Developments in the first half of 2010, initiated by President V.V. Putin. In November 2010, the State Council under the president of the Russian Federation presented a report “on the state development strategy for the period up to 2020” which was prepared by the working group led by a member of the Presidium of the State Council.

The title of the document outlining the main objectives of social and economic development of the country as well as measures to achieve them and methods of implementing strategic objectives. In the first as the main role of public authorities is considered the deregulation of economic processes, in the second, the state bodies appear as the lead managers of the measures to promote a new image of the Russian economy. Against this background, V.V. Putin instructed to prepare a new document, called the unifying projects into one.

The “concept of strategic development of Russia until 2020” arguments it was confirmed that the basis of the development strategy should be based on high and decent Russian goal and at the same time they had to be feasible. The report stated that: “in the current circumstances as a strategic goal can be taken turning Russia into a dynamically developing economic power on a basis of intensive labor and business initiative, reasonable and consistent policy of the European average standard of living in the Russian climatic and geographical conditions”. This logical and methodological basis of Russian development strategy until 2020 formed the concept: Russia’s economy-not a mono object and a lot of the regional body, functioning on the basis of the vertical (center-region) and horizontal (inter-regional) interactions and in the system of world economic relations.

## **DISCUSSION**

Path of Russia-this is an inevitable and continuous search for unity in diversity in the regional background of growing globalization. Therefore, it is natural that along with the development of the strategic concept of

modernization of the economy of the national character of the country by an active work to develop regional strategies for modernization, primarily for the Russian macro-regions. Thus, the urgency of developing a strategy of socio-economic modernization of the country and regions determines the need for a strong scientific basis and methodological aspects of this activity. Firstly in modern conditions strategic documents of modernization should be the instruments of the transition from short-term planning, schemes and programs of the location of production and the formation of regional economic complexes of the Soviet era to the long-term policy arrangement territorial entities, the development of their productive and non-productive infrastructure conducive to a spatial organization inside which is implemented to the maximum extent agglomeration effect of interaction between enterprises, industries, cities and regions of the Federation and provides high-performance operation of the territorial socio-economic system as a whole. Secondly, the document on the modernization of social and economic development of regions should reflect the system of ideas on the strategic goals and priorities as well as the most important directions and means of achieving the goals of modernization. It is emphasized that the purpose of such a complex object as a region cannot be expressed by a single figure or specifications. The aim should be concretized in general a set of qualitative and quantitative characteristics the target systems (targets), targets, standards.

Third, the regional strategies of socio-economic modernization should have the qualitative characteristics as complex, long-term, combined with the state of the global strategy of modernization, centralization. Also, the development of socio-economic modernization, it is possible to use a scenario approach. For example, the definition of several general upgrading lines in other words, scripts, i.e. for different regions can be offered various scenarios modernization strategy. Moderately conservative scenario assumes that the region has already happened structuring and consolidation of the basic types and types of businesses. However, their performance is assessed in a positive manner and therefore, they should not be subjected to abrupt changes. This option is aimed at modernizing the economy stable indicators of development of a regional system-low growth rate of the gross regional product and the standard of living but the low social and economic risks.

Innovation scenario modernization of the region suggests that as soon as possible in the region will be the concentration of resources in the innovation

economy. This will ensure a breakthrough in the technical and technological modernization of production facilities in the region which will increase the competitiveness of innovative products in the domestic and foreign markets. When implementing such a scenario in the case of the successful modernization of the definition of “growth points” there is a sharp increase in the gross regional product, income growth and living standards. However, it carries a high risk of significant concentration of resources on the development of the region mistakenly selected “growth points” investment scenario modernization of the region is the concentration of resources and efforts in the region to create a positive investment climate in their territories and image in the eyes of investors (especially foreign ones). This option provides a sufficient economic growth and social efficiency as well as the conditions for sustained development in the coming years but in this case much depends on the perfection of the federal and regional legislation and the decision of a number of organizational and economic problems requires a significant period of time. Design and modernization of the region’s conservative scenario aimed at overcoming the negative manifestations and threats of the above scenarios. There is supposed to focus the efforts in terms of expansion to create a comfortable business environment, support for small and medium-sized businesses, stimulate domestic effective demand. It does not require large-scale fiscal and investment injections and need only a clear “rules of the game”, the political will and professionalism of the regional and municipal authorities. The creative power of this option is marked the formation and implementation of major projects of institutional and commercial nature, focused on long-term and diversified economic

development in the region as well as the involvement of unused financial resources including those available to the population of the territory.

## **CONCLUSION**

However, despite the variety of historical conditions, factors and conditions for the modernization of the regional economy for the Russian reality there is a hard limit choice of her only script-an innovative, if you cannot implement other proven in the world scenarios (moderately conservative investment, design and conservative) by cause significant distortions of reproduction and keeping up with world-class performance that allows us to refine and universalize there gional strategies of socio-economic modernization of the short and long term.

## **REFERENCES**

- Abramov, S.S., 2014. Development of the methodology for assessing the socio-economic efficiency of the regional spatial system. *News Sochi State Univ.*, 2: 11-20.
- Fetisov, G.G., 2006. *Regional Economy and Management*. INFRA-M, Moskva, Russia, Pages: 416.
- Tatuev, A.A., 2012. Strategic imperatives of economic development of the North Caucasus, against the background of long-standing regional reproduction crisis. *Entrepreneurship*, 1: 75-80.
- Tatuev, A.A., 2015. The relationship of socio-economic development of the economic security of Russia. *Econ. Entrepreneurship*, 6: 205-208.