

**REGIONAL ECONOMIC SYSTEM AS AN INSTITUTION IN THE
NATIONAL ECONOMY**

The development of a region, like any socio-economic system, directly or indirectly depends on the influence of numerous and quite specific external and internal climatic, economic, social, ethnodemographic, environmental, socio-political, organizational, managerial and other factors and conditions.

These factors, interacting with each other, together form a «driving force», form a kind of mechanism under the influence of which the functioning and development of the region takes place [1].

Therefore, the adoption and implementation by the Russian society of a new model of economic, socio-political and national-state development could not but affect the modern development of the regions.

The national economy as a unity of functional and territorial integration requires studying the relations that turn individual regions into economic systems within the single economic space.

The key to considering the economic processes taking place in the region is to study the relationship between the national and regional economies [2].

It seems that in this issue it is necessary to proceed from the fact that the regional and national economy are related as a part and a whole. According to materialistic dialectics, neither the part nor the whole can be considered without each other.

A part outside the whole is no longer a part, but a different object, since in the whole system the parts Express the nature of the whole and at the same time acquire specific properties for it. At the same time, a whole without parts is also unthinkable, because it is absolutely simple, devoid of structure and indivisible, it cannot have any properties and interact with other objects.

The regional economy, being a part of the national economic complex of the country, reflects the nature of the whole, determined by the system of production relations. This shows the subordination of the region in relation to the economy of the whole country, since any element of the system cannot exist outside the whole, without those connections that turn it into a link in the economic system.

The objective necessity of subordinating individual parts to the interests of the development of the whole was noted by Karl Marx when he wrote that in any limited system, each economic relationship presupposes another [3]. «This organic system itself, as a whole, has its own prerequisites, and its development in the direction of integrity consists in subjugating all elements of society or creating from it still missing organs» the Functioning of the national economy generates the General conditions and background of economic activity of economic entities [4,5].

In addition, the state of the national economy determines the coordinates of the macroeconomic environment (economic growth, inflation, the value of unemployment, interest rates), which have a major impact on the situation in individual regions of the country.

However, the regional economy is a relatively independent part of the economic system, which determines the relative isolation of territorial production processes and the specific features of their course.

Thus, each individual region represents a unity of common and special features, has sides that indicate its similarity with other regions, and has features that distinguish it from them. The commonality of national and regional economies can be traced by using reproductive, functional and dynamic methods when considering macroeconomic and regional development.

First of all, both the national economy of the country and the regions are characterized by a certain degree of completeness of the reproduction process [6].

According to Marx, «Every social process of production, considered in a constant connection and in a continuous stream of its renewal, is at the same time a process of reproduction». Social reproduction as necessary stages involve the production, distribution, exchange and consumption of material goods, which are always geographically isolated, carried out within a certain space.

There are a number of developments on revenue issues in the regional system. Regional income can be determined depending on the degree of development of some basic industry of the region, which is partially or completely export or, depending on the industry that displaces (replaces) imports. The most significant drawback of the basic industry analysis is that it seems to be isolated from the district itself.

The theory of poles and centers of growth occupies a leading position among modern theories in terms of its prevalence and attempts at concrete practical application. Its founders are the French Economist F. Perrou [7], as well as his student J. Boudville [8], who can rightly be considered a co-author of this theory.

J. Budville considers homogeneous, polarized, and «planned» spaces, as well as similar types of districts [9]. He prepared the geographical ground for the functional concept and United space and function by a common property – polarity. It follows from this that not every regional center or node is a pole of growth, but only one in which propulsive leading industries are represented, which is capable of independent development for a long time, controls its environment and informs it of development impulses. J. Himself. Budville wrote: «The regional growth pole is a set of developing and expanding industries located in an urbanized zone and capable of causing further development of economic activity in the entire zone of its influence» [10].

P. Potier's theory of development axes is closely related to the theory of growth poles. Its Central point is the provision that development is transmitted along the main transport channels that connect the most important industrial centers. To some extent, the work of p. Potier, based on the analysis of actual material, reflects the transport principle of V. Kristaller. The theory of axes helps to link the influence of the transport network with the theories of urban hierarchy and growth centers.

The main advantage of the theory of poles and centers of growth is that it has made a significant step towards creating a comprehensive direction in regional science (i.e., the synthesis of the theory of placement and regional research itself). It uses a systematic method of analysis (along with traditional methods of placement theory), tries to solve the problem of the relationship between efficiency and alignment, between national goals and the tasks of regional development itself. However, it has

some disadvantages: there is no single approach to the question of optimum population in the growth centres: depending on the techniques used by researchers, it varies very much; unclear question with the hierarchy of growth centres, including functional; there is no clear mechanism that determines the priority of investment and funds for development of an area.

National and regional economies are distinguished by a single system of reproduction cycles, which include the reproduction of labor, financial and credit resources, finished goods, production and social services, etc.

Within the region, a relatively complete cycle of reproduction is carried out, which creates conditions for the integrated development of the territory. In General terms, the process of regional reproduction can be described as follows. Each region has its own industry structure, which is formed and developed based on the existing economic potential (competitive advantages). As a rule, this is a relatively narrow specialization that does not fully meet the needs of the region's population in a variety of products and services of its own production.

This specialization provides a certain level of socio-economic development of the region, determines its place in the «national economy» system.

In the context of the intensification of the development of the national economy of Russia, the need for further improvement of the structural organization of the economic space of the country increases. There has been a rethinking of a number of principles of federalism, science and practice of States the basic notion of territorial economic systems, new structural formations with the participation of regions (macro-regional forms), the internal structure of regions are formed and are applying for the special status of subregional education.

Each new sub-regional entity that appears in the internal environment of the region is justified to the extent that it makes a significant contribution to improving the efficiency and sustainability of the territory's development, as well as to increasing its investment attractiveness and competitiveness. In the conditions of deep differentiation of resource provision and territorial economic polarization in the economic space of Russia, there is a variety of options for sub-regional economic entities.

Due to the growing competition and the need to ensure the competitiveness of the regional form of the territorial economic system, the importance of strategic support for the development of sub-regional entities is increasing.

From the variety of objectively existing strategies and instruments of territorial development, it is necessary to choose strategic vendors that correspond to available resources, infrastructure, functioning capital, the territorial economic system and ensure its rapid development in line with the evolutionary process of the national economy.

When forming and organizing sub-regional economic entities, it is necessary to use the potential of evolution that already existing clusters and special economic zones (SEZs) have, focusing on the search for qualitatively new opportunities to intensify the development of the territorial economic system, as well as moving towards a systematic quality of interaction between the elements of these structural entities.

The formation and development of sub - regional economic systems takes place in the context of the interaction of two oppositely oriented and mutually complementary processes-differentiation and integration of economic relations.

On the one hand, the emergence of sub-regional systems means a deeper differentiation of the internal environment of the territorial economic system at the regional level.

On the other hand, it creates new opportunities for integration interaction at various levels of the organization of economic relations in order to increase the efficiency of the reproduction process.

In the course of the regional economic cycle, injections occur, which represent the flow of funds directed to the purchase of the gross regional product (investment expenses of firms operating in the region; expenses of regional authorities related to the purchase of regional goods and services; cash receipts from exports and sales of products outside the region).

Injections increase aggregate demand in the region, ensuring the implementation of the created gross regional product, and, consequently, improve the economic situation in the region: stimulate production, reduce unemployment, and promote economic growth.

In General, the analysis of the regional economic cycle makes it possible to determine the elements of self-regulation and self-development of the regional economy, as well as to identify the tools of state influence on the regional economy.

The regional economy, being a relatively separate part of the national economy, is characterized by significant specifics of economic processes. Since they represent a link in the territorial division of labor and are an element of inter-regional relations, they are a more open system than the national economy.

The more a region is involved in the territorial division of labor, the more open its economy is, and this leads to regional peculiarities. First of all, it is quite natural that there are significant discrepancies between seizures and injections in the economic turnover of products and incomes at the regional level.

Further, there is a discrepancy between the gross regional product produced in the region and the cost of resources spent on its production.

In addition, the region is characterized by intersectoral imbalances, due to the region's specialization in the production of certain types of products.

Thus, the analysis allows us to conclude that the regional economy is part of the national economic complex, so the socio-economic nature of the national and regional economies is the same. It manifests itself in the homogeneity and generality of economic processes occurring on the territory of the country and its regions. This commonality lies in the fact that the regional economy has: a relatively identical structure with the national economy; typical factors affecting individual sectors of the economy; identical mechanism of interaction between different sectors of the national and regional economy.

Application to the study of regional economic system that development is a trajectory of the circuit functioning of capital, the shift of the equilibrium state, the transition of the economy to a qualitatively new center of gravity and adapt the whole

economy to changing centers of equilibrium, allows to distinguish between extensive and intensive ways of development.

Extensive development is based on a qualitatively unchanged base-technologies, forms of organization, the human factor, that is, the economic system moves «in breadth». Intensive development changes the very basis of growth, updating technologies, forms of organization of the economic process and the human factor, that is, the economic system moves «deep». At the same time, the shift of the center of gravity towards the intensive type of development means intensification.

In an economy that has a huge amount of space, its rational structuring becomes the main resource for intensification. Therefore, the priority direction for the intensification of regional economic systems in modern Russia is to create effective and institutionalized localizations of resources, factors of production and the corresponding infrastructure in their internal environment.

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