

Factors of Development of the Socio-Economic System of the Region

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Abstract

The article considers and analyzes modern scientific concepts of the region as a socio-economic system. The key factors that significantly influence the functioning and development of the region as a socio-economic system are examined. The prevailing trends in the development of the Russian national economy increase the importance of the regional factor while maintaining a unified economic space. Each region of the Russian Federation is a symbiosis of economic and social space, reflecting territorial conditions, ethnic, historical, and cultural characteristics, as well as the state of the social sphere and the level of economic development. The effectiveness of socio-economic development in Russia directly depends on the development of its regions.

Keywords: regional economy, socio-economic system, social sphere, regional policy, regional development.

Introduction

Hence, regional economic management and development methods are particularly important, since each region has its own economic and social development potential determined by its territory, population, and natural (climatic) conditions.

Regional development largely determines national development; therefore, regional policies in social and economic spheres must align with the strategic national development goals set by Presidential Decree No. 204 of May 7, 2018, *On National Goals and Strategic Development Tasks of the Russian Federation until 2024*.

Region as a Socio-Economic System

From an economic perspective, the region is a combination of production systems united not only by common territory but also by joint economic activities and administrative structures. Russian law defines the region as “a part of the Russian Federation’s territory possessing common natural, socio-economic, national-cultural, and other conditions. A region may coincide with the borders of a constituent entity or unite several of them.”

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In scientific literature, interpretations of the term “region” vary, with emphasis placed on different key characteristics. Many scholars highlight the presence of administrative authorities as a defining feature, although under the planned economy of the Soviet era, regional management was virtually absent. Others describe the region as an independent functional unit of the macrostructure of the state economy—one of the essential characteristics of the Russian state.

Considering the region as a system makes it possible to apply a systems approach, as the region forms numerous external and internal economic relations. Being territorially limited and part of the state, the region is an open socio-economic system with its own characteristics and place among other macrostructural units.

Social and Economic Subsystems

As a system, the region consists of subsystems—primarily social and economic. These subsystems are interdependent and mutually reinforcing. The pace of regional development depends on their interaction. The social subsystem includes social infrastructure and relations that define quality of life, while the economic subsystem is based on production capacity, resources, and infrastructure.

Development in one sphere affects the other. For example, higher living standards and better healthcare or education require economic resources, while economic growth is impossible without qualified specialists and social stability. Thus, the social and economic subsystems form a single integrated socio-economic organism.

Factors Affecting Regional Development

Regional systems are influenced by both internal and external factors. Russia’s recent economic reforms have advanced faster in the economic sphere than in the social one, although social development is equally strategic. Positive social changes are often measured through reduced social tension, demographic improvements, and increased quality of life.

At the same time, economic development depends on production capacity, investment attractiveness, and innovation. Business plays a central role in regional development by creating jobs, attracting investment, and increasing tax revenues. Business growth also stimulates demand for education and professional training.

Regional development is also shaped by state-level influences. Changes in national tax or political systems affect all regions, while the system’s inertia helps maintain balance. Strategic factors such as geography, natural resources, and climate determine long-term development prospects.

Integration and Global Context

In today’s global environment, new forms of economic organization and governance are emerging, with increasing interdependence and structural complexity. Integration has become an important characteristic of economic systems, including regional ones.

For Russian regions to implement globally oriented innovations, effective regional management models are required. Such models must ensure constructive use of human resources, attract investment, and integrate regions into larger global economic structures, thus supporting their sustainable development as socio-economic systems.

Conclusion

The socio-economic development of regions is a crucial factor for Russia’s national progress. A region functions as a unified organism where economic and social subsystems are inseparably linked. Development is shaped by both internal and external factors, with business, state policies, and integration processes playing key roles.

Regional policies should focus on balance—supporting both economic growth and social welfare—to ensure stability and competitiveness in a global context.

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