

Territorial Approach to Solving the Region Strategic Management Problems

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Abstract: This paper presents regional systems performance analysis and regional management practice. The region is considered as a territorial formation resulting in research of the regional management itself including its subject, scope and purposes, management system principles, structure and functions, control methods and etc. that break a new ground for the development of a special territorial approach to solving the regional strategic management problems which basic concepts and essentials amend and expand the provisions of existing approaches. The provisions related to the description and explanation of the region development processes are in progress building up the effective critical tasks solution prerequisites of the regional society organization.

Key words: The region management • The strategy • The territorial approach

INTRODUCTION

The region is a complex social life phenomenon drawing up increasing attention of a wide range of professionals both liberal arts and sciences. The regional formation complexity is caused by the diversity and dissimilarity of the fundamentals that define its development and evolution including territorial basis, environment, social and economic public relations. The region and its components are the parts of public and municipal administration system, national economics, ecosystems with split hierarchical levels and so on.

Research experience shows none of the above-mentioned fundamentals could be admitted of minor importance since each of them determines the region existence and its' business opportunities. However, their studying is dissimilar. The current region theory emphasizes the interpretations that regard it as a part of the state or macroeconomic system with politological-and-economical approach dominating. At the same time, the territorial fundamentals effect defining not only the region's qualitative distinction but being a basic framework of its' existence, diminished and underinvestigated.

RESULTS

The regional system performance analysis and management practice show the territory is not an inert atmosphere, a factor or a resource for the regional development but the significant acting force creating conditions of region-generating connections build up and going long in the development processes.

This fact, in particular, let us examine the region from the territorial fundamentals, interests dominating and define the region as the (self-) regulating formation.

The region definition as a territorial formation resulting in a distinctive investigation logic of the regional management itself including its' subject, the scope and purposes, management system principles, structure and functions, control methods and etc., that break a new ground for the development of a special territorial approach to solving the regional strategic management problems which basic concepts and essentials amend and expand the provisions of existing approaches. The provisions progressed relate to the description and explanation of the region development processes building up the effective critical tasks solution prerequisites of the regional society organization.

The region state and territorial, social and natural principles existence clearly testify to *the dual character of the region formation*. The following circumstances may be noted as dualism dominant characters:

- On the one hand, regions are the part of the state system, on the other hand they are the subnational entities that starting to build-up in the society development pre-state period.
- Being a territorial naturally-social structure, the region includes both socioeconomic and natural subsystems.

The regional multifeatured nature determines the wide range of regional development discrepancies. Of special note among them are the clashes of the state and territorial concerns, objective contradictions in-between regional socioeconomic and natural subsystems development interests. Broadly speaking, the territorial approach proceeds on the basis that the way of finding solutions for the above-mentioned contradictions should be based on the “territory” scientific category studying and clear understanding of the territory significance in the regional development and management problems.

The region interpretation as a territorial formation is based on its’ off-site area nonexistence. In such a case the territory appears as a regional development keynote which determines regional system principle predominates, its’ main qualitative features. It has specific development laws different from the macroeconomic systems and state development laws, etc.

In most works concerned with the regional background including its management the territory either falls out of consideration itself, or is treated as a specific example, or a “place distinctiveness”. Insufficient recording of the territorial principles development, main regional functional subsystems interaction result in negative implications of the present-day management practices. For example, it comes out in an underestimation of the hidden territorial factors system impact, misapprehension of the actual challenges to the region development on the sideline of its environment, non-optimal relationships set up between the region socio- and eco-economic subsystems, etc. In addition, the overall strategic plan managerial decisions validity and effectiveness go down.

The territorial approach significance is most pronounced at this most complicated area of the regional management. First of all, it’s caused by the territorial system rigidity and relatively slow behavior of its development processes which effects appear in the

strategic horizon period only. That’s why the management strategy errors related to underestimation of the region territorial background significance result in the drastic consequences as follows: emergence of the catastrophic situations, lingering and persistent intra- and interregional conflicts of social- and eco-economic character and prospective deterioration of the living conditions of the population.

The territorial approach allows you to define the region as a territorial naturally-social structure which establishment and evolvement are based on the emerging social (self-) management system. The region territory has similar socioeconomic, national-cultural, natural and other development conditions [4].

The region background as a territorial social structure is a naturally-social system resulted from natural, social and economic elements’ interaction. According to the approach considered, the natural subsystem combining landscapes, natural-resource, environmental management system, etc. has a value of social and economic subsystems. It cannot be output to the regional development factors level.

The region management as a territorial formation covers all aspects of the territorial administration being generally an integral part of the population current activities. In this case special mention must be made of business structures activities in the way of territorial social organization, first of all, in the financial and property management, new technologies development as well as creating the infrastructure required.

The region management formedness and maturity degree of relationships generally depends on the society organization level, social management development and the region location in the territorial hierarchy of the state administration. The essential region key features are the primary functions of its territory management such as monitoring, forecasting, analysis, etc., implemented by the regional authorities or within the range of public organizations activity.

Regular performance, at least, of one of the territorial management activities specified, points in the initial phase of the region establishing. This stage can last long enough. Switch to a higher phase of progress, so-called regional establishment “crystallization” related primarily to the functions and structures development, i.e. self-government system formation. As a part of this switch the region development is preferable due to the internal but not the external factors including territorial population commonality, socioeconomic situation peculiarities within the current territory, productive forces state-of-the-art and etc.

Starting with a certain point of the territory management function development, the region is established institutionally, its' management system is evolved extensively that is a part of the public administration subsystem, or, being the part of the topical level, if to speak about local administration. That juncture of the final region establishment is mainly the consequence of external factors, policy decisions at the national level.

The logics of the provisions considering discrepancies in the region development stages and their status, determines the acknowledgement necessity of the establishing regions' existence which do not have an official and legislative status. Such territorial structures' existence is maintained by a number of sources, among which the Center for Strategic Studies report of the Volga Federal District (PFD) [3] is worth mentioning. According to its conclusions, the new regions identified as the "cultural and economic" ones, have been established in Russia in the late 1990's. They are actually, communities based on the certain economic activities spatial localization with a financial and property management center, new technologies and products development as well as the essential infrastructure and social services building. There it can be noted their dissimilarity from the administrative districts being established within the judicature boundaries of the governance body subordinate entities of the Federation.

New regions are overbuilding each other, all their system area seem to be precautionary. The communities' economic activity character is such that the administrative boundaries importance drops rapidly. New regions establishment centers in the Volga Federal District are the following: Samara, Perm and, in certain circumstances: Nizhny Novgorod, Kazan, Ufa.

Being an extremely complex phenomenon, the region is distinguished by the qualitative varieties acting as the subject of the body politic, political actor, part of the country economic system, etc. In the context of the approach considered, the qualities mentioned are private external manifestations of the region content. In a greater degree it pronounced at those attributes of the regional structure specifying it as the (self-) regulating territorial formation. Regional systems complexity and internal diversity give rise to a great deal of similar properties. They are generally well understood within the scope of the regional socioeconomic systems analysis.

The foregoing region particularities lead to the allocation and systematization of the following most significant region properties as the strategic management object:

The regional system development purposefulness.

The consciousness and overall purpose settings of the regional structure management opportunity generating subgoals of its' functional and territorial subsystems is crucial, otherwise the mission identification and region main development strategy possibility should be kept out. The objective statements possibility for the major region clusters subsystems are not the same. The "purpose of existence" category has limited application for the natural subsystem development management. There are obvious difficulties in the determination of the region social component strategic goals development. Nothing else but its' economic subsystem has the stable and strong enough target profile.

The most successful experiences of the region development goal settings are the regional growth strategies with the methodological trial principles of transferring the corporate management approaches to the urban development. As the strategies the region territory development goals are determined on the base of the mission statement. The mission describes the primary region purpose, its' existence aims historical plan, both for the citizens and the world around [5]. Most commonly it gets to the grand sociocultural challenges level, usually defined by the region's history and geographical location, i.e. beyond the pale of socioeconomic character pragmatic issues.

An important factor in the managerial decisions implementation is the clear definition of the goal, including the formal purpose pointing of the subject to control functioning. For the region territory the problem of the clear goal definition turns up, primarily, both for the natural and social subsystem development strategic objectives, related to their existence purposes stating complicity. The clear goal definition inability complicates the optimal managerial decision criteria statement along with the management performance efficiency.

The region uniqueness. There is a unifying principle between the general and unique properties of the territorial formation combined with their dialectical contradictions. In the region strategic management the hallmarks considerations are more important than, for example, in the production management as the regional system diversity is far more mixed than the technological one. The region uniqueness is, in some way, the criteria of its existence, since insignificant conditions differentiation and structural-functional peculiarities usually result in the interregional units' development and their integration into the public administration system.

Sustainability. The territorial formation sustainability is a complex phenomenon and, therefore, has a wide variety of interpretations [1, 2].

The sustainability in a territorial management theory is seen primarily as the stable management system functioning in a changing environment. Moreover, there's a regional sustainability characterizing it with regard to control activities demonstrating the response to them in terms of possible structure and functions of the regional system profound changes. In this regard, it is directly related to the region rigidity property.

The rigidity. The region rigidity defines the response time at the control activities, thereupon it's considered towards the regional management processes only. The region heterogeneity causes various rigidity levels of its core subsystems. The economic subsystem is least rigid as well as some components of the social one. The rigidity is also depends on the region territory scale and its position in the country regional system hierarchy. Basically, the lower the level, the less the rigidity degree.

The communicativeness. It's the regional infrastructure transportability of managing information. Generally, management goes hand-in-hand with communication and information processing, so the communicativeness degree specifies its' efficiency in many respects. The regional system territory communicativeness degree is defined by a great many of factors, among which, first of all, the information system development level, its' territory scale and configuration, location specifics and etc. are to be particularly mentioned.

Besides the above-mentioned properties, the regions are characterized by a number of others to hold a lower profile in terms of strategic management problems solving such as, for instance, hierarchy, integrity, structure complexity, historical aspects and so forth.

CONCLUSIONS

Region establishment belongs to its' external environment. The region's external environment is not the homogeneous entity. It's subdivided into parts and includes single territorial subsystems. The region is most closely linked to the certain territorially detached part of the external environment such as the regional environment.

The regional environment determines the main development trend features which can be selected for the regional system development, its' potential structures and performance types. The particular set of the regional system structures and types is an equivalent to the

specified regional environment. These structures can be stable for a long while, until the environment developed exists. The environment of the regional management system is characterized by the strong dynamism. In-between feedbacks available lead to the fact that regional growth changes the environment dynamics that eventually results in its' brand new state transition.

The regional environment stands out on the base of the spatial localization research of the region development total factual background along with its interrelations with other regional structures of various hierarchy levels studying.

As a hypothesis it can be taken over the territory forming the regional system environment coincides with the national territory at its' highest hierarchy level, whilst it coincides with the territory of one or more covering regions of the highest regional hierarchy at the lower ones.

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