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#### CONCEPTUAL APPROACHES TO STRUCTURING OF ECONOMIC SPACE OF A REGION

Elena Mirgorodskaya (a)\*, Zulay Tavbulatova (b), Sergey Sukhinin (c), Emin Magomadov (d)  
\*Corresponding author

(a) Don State Technical University, 162, Sotsialisticheskaya str., Rostov-on-Don, 344022, Russia, emirgorod@mail.ru, tel. 89282296966

(b) Chechen State University, the Chechen Republic, Grozny, Russia, evadidi@inbox.ru, 89280043004

(c) Don state technical university, 162, Sotsialisticheskaya street, 344022, Rostov-on-Don, Russia, suhmax@mail.ru, 89044484769

(d) Chechen State University, Kh. Ibragimov Complex Institute of the Russian Academy of Sciences, the Chechen Republic, Grozny, Russia, chgu@yandex.ru, 8928 7403985

#### *Abstract*

This article presents an analysis of basic concepts that consider economic space of a region, methods of its identification and structuring. Based on the analysis of modern concepts of economic space, developed by both domestic and foreign scientists, the rationale for the concept as a scientific category of regional economy is given. The conclusion about the importance of its use when studying territorial formations of different rank and hierarchy is made. The economic space structuring of the territory into separate subsystems, which totality reflects the fullness of properties and characteristics of the economic space arising under the influence of endogenous and exogenous factors of development is carried out. The system of indicators reflecting the specificity of qualitative and quantitative parameters of the economic space of the territory is presented and substantiated. The author's model of the economic space structure of the territory is presented; the interrelation of selected subsystems in its composition is shown. The application sufficiency of the developed set of indicators in identifying the specifics of the economic space of a region is justified. The main points and conclusions of the article can be used in scientific activities when considering issues of the economic space nature of a territory in a regional economy and social economic geography; conducting applied regional studies related to the identification of the economic space features of individual regions of the country.

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## 1. Introduction

One of the tasks of the regional economy is the identification of the economic space differentiation. Any economic system has territorial affinity, localization in specific conditions of space and time. In this regard, the concept of “economic space” forms the initial idea of the territory and is the basis for understanding the phenomenon of spatial heterogeneity - the fundamental category of the regional economy.

Such close attention to the economic space problems is connected with the multidimensionality of this category, but the basis for its understanding is still the difference in the economic development of the territory. These differences determine the spatial differentiation in other, equally important aspects of the society activities, namely, in the living standard, social sphere, infrastructure development, and intercultural communications. The disclosure of the essence, characteristics and structuring of the economic space enables not only to more fully understand its meaning as a scientific definition, but also to carry out a more objective and detailed analysis of its features for specific territories - regions, cities, districts, and on the basis of received information to take adequate and balanced solutions.

## 2. Problem Statement

The concept of economic space derives from a broader view of space as a philosophical category. Materialistic and idealistic approaches to the consideration of space take place in this philosophy. Materialist philosophers emphasize the objective nature of space, interpreting it as the main form of the position of matter or a phenomenon in motion, along with time, which is the second element of the pair category “space and time”. Idealist-philosophers consider space and time as priori forms of sensual contemplation (Arauzo, 2008). Both approaches have become basic in the economic space study. The materialistic approach was used by native researchers (Grandberg, 2004; Chekmarev, 2001; Biiakov, 2004; Urunov, 2012), and the idealistic approach was used by foreign scientists (Chorley & Haggett, 2013; Cosenza, Doria, & Pessoa, 2015, Perru, 2007).

The concept of the economic space entered Russian regional economy relatively recently (Animitsa, 2007; Zhikharevich, 2011; Inshakov, 2005). Traditionally, economic space in regional studies is considered as part of a wider geospace and in relations with the territorial organization of society (Mirgorodskaya & Sukhinin, 2017). It is emphasized that the economic space is a territory saturated with interposition and interrelated elements (objects), and is a special kind of spatial grouping of natural-material resources, the specific platform of living organization (Sharygin, 2015). At the same time, we note that many researchers do not actively use the term “economic space”, considering it as foreign, introduced into the regional economy from the outside, taking it for the scientific category of geography, whose scientific and information fields intersect, but still are in a certain opportunism.

## 3. Research Questions

The economic space is of particular importance in the context of the economic entities analysis among many types of space - geographical, social, informational, and technological. A large number of various definitions of this concept are presented in economics. The economic space acts as a set of relations

between economic objects located on a specific territory and developing in time (Gulbasov & Chekmarev, 2005; Ekova, 2012). Since economic space is characterized by high activity, dynamism and the desire to interact with other types of space, it can also be defined as a spatial-temporal combination of public objects, phenomena and processes in conjunction with the natural environment developing in time (Chekmarev, 2001; Krugman & Obstfeld, 2008; Olkhov, 2016).

#### **4. Purpose of the Study**

The aim of this article is to analyze the existing approaches to the economic space interpretation, the analysis of concepts revealing the views of scientists on the causes and factors of heterogeneity of the economic space of a territory, a presentation of a generalized methodology for identifying and structuring the economic space of a region.

#### **5. Research Methods**

When carrying out the study, the following methods were used: analysis of modern theories of the economic space, comparison of different approaches to its consideration; statistical method as a basis for developing analysis indicators of the economic space features; structural logical method in identifying subsystems of the economic space; component-wise analysis in establishing their interrelationships of individual elements of the economic space and their attributes.

#### **6. Findings**

The economic space has a certain structure. In our opinion, it is possible to distinguish territorial-administrative, natural-resource, demographic, resettling, production-economic, transport-communicative subsystems in its composition. Each of them characterizes a certain type of the society activity and is formed in the process of territorial concentration of the population, productive forces, infrastructure development, and public relations. We reveal the features of each subsystem:

1. The territorial-administrative subsystem assumes assignment of the territory under consideration to administrative-territorial entities of a certain rank, for a country this is the level of the national economy as a whole, and for its individual parts – an affiliation to a macroregion, a federal district, an economic region, a municipality.

2. Natural-resource subsystem is associated with the consideration of the territory as a material basis for the population and economy location. It includes all the diversity of natural resources as prerequisites for the production development in the researched territory, as well as parameters that set initial morphological properties of the economic space within its borders, dimensions and configuration.

3. Demographic subsystem regards the parameters of reproduction and migration of the population as integral processes of its dynamics. At the same time, the population is of a dual nature: on the one hand it is a producer of material goods and services, and on the other - its consumer. In addition, the population is considered as a carrier of certain qualitative characteristics, ranging from ethnic and religious affiliation, to age composition, health status, professional affiliation and level of education, which is especially important when determining the size and structure of labor resources of the researched territory.

4. Resettling subsystem is expressed by a set of settlements as places of permanent and temporary localization of the population. Both settlements and highways form the supporting frame of the territory.

5. Production-economic subsystem combines all economic agents distributed by industries and areas of production. The main function of this subsystem is to saturate the market with necessary goods and services both through its own production, and through foreign economic activity.

6. Transport-communicative subsystems are expressed by a combination of highways, engineering-technical and utility facilities and networks, trade-distributive and logistics enterprises implementing the movement of resources, population, goods both within the territory and outside. Through this subsystem, the economic space of the region receives internal connectedness and external openness, realizing contacts with other, primarily neighboring, territorial entities.

The considered subsystems are in close interrelation, interaction, taxonomy and hierarchy. Thus, the resettlement and development of production are directly determined by the availability and diversity of natural resources and conditions for the life and economic activities of society. The transport-communicative system is a link between other subsystems, and the territorial-administrative subsystem implements management functions, coordinating the normal functioning of the entire economic space of a territory.

If theoretical studies of the economic space are related to understanding the essence of this concept and determining its relationship with other categories of science, then applied works consider the economic space of individual countries and regions (Vertakova & Risin, 2015). At the same time, the main task of such regional studies is to identify the properties and characteristics of the economic space of the considered territories, since they are the ones that separate its specificity.

Since economic space is the field of economic entities activity of different nature, scale and hierarchy, it can be viewed in two forms - as a territory of economic development, and as a set of interactions between institutional units (economic subjects) of different rank. Consequently, when considering an economic space, it is important to single out criteria reflecting, on the one hand, its specific properties and characteristics as spheres of economic objects localization, and on the other hand, the environmental characteristics of a contact between various social economic phenomena and processes (Marinescu, 2012; Shiller, 2000).

The properties of the economic space have a qualitative and quantitative expression. They are caused by the process of space transformation, its transition from one state to another, which proceeds with a certain speed and intensity. The same processes can occur with different intensities at various points in space, and, in some cases, they vary over wide range. These differences form the heterogeneity of the economic space, as the manifestation degree of its properties and qualities in diverse ways at different points (Animitsa & Surnina, 2006; Mitrofanova & Morozova, 2008). Based on these theoretical messages, the peculiarities of the economic space of a region can be identified through a number of formalized indicators (Salin & Shpakovskaia, 2001).

The system of such indicators, reflecting the economic space peculiarities of the region, should combine the following key sections:

- general level of social economic development of the region;
- assessment of its natural-resource potential;

- environment state characteristic and identification of anthropogenic impact on it;
- demographic processes and population structures of the region;
- use of labor resources, problems of employment and unemployment;
- quality and standards of living;
- achieved level assessment of the development of individual industries and sectors of the economy (industry, agriculture, transport, services);
- determination of the territory export potential, analysis of interregional and foreign economic relations.

Considering the specified set of indicators, it should be emphasized that they allow evaluating quantitative and qualitative characteristics of the economic space as a spatial-technological formation and as an institutional-economic environment. Indicators of the economic space development from the point of view of its technological structure and use, evaluate, for example, such characteristics as the type of soil layer of the land plot (fertile potential of land), engineering and geological conditions, level of engineering arrangement in the form of the engineering infrastructure development, accessibility of social and business, administrative center of the territory, development level of the sphere of cultural and community services for the population, environment state (Arauzo, 2008). The development characteristics of the institutional and economic environment of the economic space reflect the recreational potential of the territory, the development degree of economic conditions, the sectoral market conditions, the financial and investment potential, the economy institutional conditions, the state of innovation infrastructure and favorable conditions for innovations development; the qualitative and quantitative composition of the population, labor, human capital in general (Ran, Keithly, & Kazmierczak, 2011).

Important indicators characterize the level of social economic development of the region and at the same time its foreign economic relations. For this, GDP (or GRP) is analyzed - the total value per capita, the correspondence of the actual value of the produced and consumed GDP (GRP), which allows establishing the degree of economic self-sufficiency of the region, its dependence on exports and imports of goods and services.

The process of assessing the natural resource potential is considered primarily as a resource prerequisite for the social economic development of the region, since a set of certain natural resources makes it possible to locate specific industries in a given area, develop specific areas of agriculture and the recreational sector, and build transport communication. The environment state reflects the ecological potential of the region, and the peculiarities identification of the anthropogenic impact on nature allows us to identify the main sources of pollution and minimize their negative impact. The study of the region demographic characteristics reflects the dynamics of the population under the influence of its natural and migratory movement, and its population structure demonstrates its diversity. At the same time, important characteristics are the population size in urban and rural areas, the main age groups, the average life expectancy, the demographic load, the level of demographic aging, indicating the quality of the demographic potential (Ivanov, 2016). Accounting for the number and structure of labor resources characterizes the labor potential of the region, and the degree of its use will be reflected in employment and unemployment indicators (including in the context of individual sectors).

The living standard is determined by the change of cash income per capita, the dynamics of prices for goods and services, the structure and actual consumption of basic food and non-food products, the provision of housing, the services for cultural domestic and social purposes through the territory saturation with appropriate recreational facilities, health care, education, preschool institutions (Salin & Shpakovskaia, 2001). At the same time, the living standard of the population should be assessed by comparing the achieved indicators with regional or national standards for the consumption of material goods and services.

The functioning and development of regions is not isolated, but in relationships and interdependence with other regions and the outside world. Relations between the regions and the outside world are predominantly economic (trade). Concerning this, it is necessary to include the study of interregional economic relations into the diagnostics composition of the economic space features of the region as a system of economic relations and interests of the regions developing in the process of labor division and specialization of production, based on the existing picture of the distribution of productive forces and existing natural and geographical conditions. Interregional relations are represented by the interaction of industrial complexes, industries, municipal territorial entities (cities, districts). Relations of the region as foreign economic are manifested in the complex of international economic relations with foreign economic counterparties.

The balance of import and export from the region reflects the level of its activity in foreign economic practice in the context of economic growth (or recession), and the assessment of the production dynamics of key goods characterizes regional features of the economy. Compliance with the current social economic structure of production and consumption of the region is the basis for an integrated analysis of the development scale and the territorial structure of entire economy of the territory, the scenarios for the development of the economy individual sectors, based on the available factors, proportions, trends.

## **7. Conclusion**

Thus, the economic space of the region acts as an environment of economic relations that is a set of interactions between social economic subjects, located in a particular territory and developing in time. The economic space is characterized by a number of features and properties, the main of which, in our opinion, are the heterogeneity, expressed in varying degrees of its concentration in different places of the territory; and structuredness, represented by the division into constituent elements and parts in the form of subsystems. These two properties are fundamental in understanding the structure of the economic space and caused by the interaction of endogenous and exogenous factors in the society development - natural and human, institutional and informational, organizational and technological.

The asynchronous development of social economic processes, the different level of competitiveness of economic entities involved in social economic processes, as well as their individual perception of external and internal environment, the participation intensity in foreign economic relations determine the specific features of the economic space structure of the region. The regional economy directs its efforts to identify them through a variety of research methods. It is possible to establish and analyze the structure features of the economic space by analyzing quantitative and qualitative indicators that consider the parameters of various subsystems and allow us to define the specifics of the population and economy of

certain territories. These parameters and indicators reflecting them make it possible not only to describe the economic space features of territorial entities of various ranks (national economy, regions, economic regions, subjects of the federation, cities and municipal regions), but also to carry out their comparative characteristics with a high degree of formalization, which is important at regional comparisons as an information basis for making decisions in the field of state and municipal government.

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