Socio-economic Compromise Finding Problem in the National Development Regulation

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Abstract—The article proposes the concept of state socio-economic policy formation on the basis of the economic interest conflict analysis of the federal, regional authorities and economic entities, describes the requirements for the information basis on which the solution of the tasks will be carried out.

Keywords—state policy; social and economic development; economic interests; federal authorities; regional authorities; system approach

I. INTRODUCTION

Policy (Greek. politika-state or public affairs, from polis-state) is a sphere of activity connected to relations between social groups with the essence to determine the forms, objectives, content of the state. This concept is relevant to almost all spheres of the state functioning — it is through the definition of the main directions of policy and the subsequent implementation of its measures that the state carries out its functions. The degree of state administration effectiveness will depend on the extent to which the main directions of state policy in a particular area will meet the real needs of society.

The strictest requirements to the accuracy and reasonableness of both the state policy directions and the chosen measures and instruments of its implementation are imposed in those spheres of state administration in which there is an objective conflict of public and private interests.

In the conditions of the Russian Federation, it is necessary to mention the presence of at least a trilateral conflict of economic interests. The parties of the conflict, whose interests will be affected to some extent by any attempt to observe the economic interests of any other party, will be:

- federal authorities;
- regional and local authorities (there is also a conflict between them, but we do not consider it);
- economic entity.

It should be noted that the conflicting parties of economic interests are subjects with a different, almost incomparable level of aggregation. At the same time, any attempt to aggregate economic entities to the macroeconomic level will lead to the need to separately describe the internal contradictions within such an aggregated entity.

There are two possible ways of economic entities' aggregation to the macroeconomic level:

- industry or functional aggregation that needs to take into account two important implications:
  
  First, the sectorial aggregation of economic entities cannot be fully recognized as aggregation to the macroeconomic level, since a particular industry (or the type of economic activity) from the point of view of economic theory is subject to both macroeconomic and microeconomic laws; as a consequence, the system of conditions for the observance of economic interests of the industry should be two-dimensional (macroeconomic plus microeconomic).)
  
  Second, with industry aggregation, there will automatically be a need to take into account the conflict of economic interests between sectors, as well as unequal conditions for economic activity in various industries;

- territorial aggregation: in this case, the set of economic entities will be aggregated to the economic complex of a separate territory (on a geographical basis) in accordance with the place of economic activity actual implementation; despite the fact that this method of aggregation is more consistent with the macroeconomic level than functional, there will also be a need to take into account the conflict of economic interests between the individual segments of such economic complex (for example, environmental conflicts).

II. THE SYSTEM OF GOALS AND THE MAIN GOAL OF SOCIAL-ECONOMIC POLICY AT ALL

Let us now describe on the basis of what considerations it is advisable to divide the state level into federal and regional-municipal.

As our analysis of the state administration goals and objectives shows, traditionally, the highest level of state
authorities (federal) faces generalized tasks of ensuring the socio-economic development of the country in general. With such a state administration goal statement, the national economy is considered not as a complex socio-economic system, but as a single administrative object with some averaged macroeconomic characteristics; a number of factors that specify the economic development conditions of individual economic entities and their totalities objectively fall out of the range of problems under consideration.

Thus, the national economy of Russia as an administrative object on the part of the federal government acts as an aggregated object, which has lost most of its existing microeconomic internal relations. In such circumstances, objectively determined by the sphere of state administration of the national economy at the federal level remain:

- determination of the main goals and objectives (national priorities) of the overall socio-economic country development, consistent with the strategic goals and objectives of national development, as well as the role that, in the opinion of the public administration highest level, Russia should play on the world stage;
- determination of socially and economically necessary levels of funding for the implementation of the goals and objectives; search for sources of funding, the distribution of funds mobilized; distribution of competence (both rights and responsibilities) in this regard;
- general task control implementation in the Russian Federation as a whole;
- the decision of some other problems of tactical nature is objectively associated with the above.

The competence of the regional and municipal government level in addressing socio-economic development regulation issues of the Russian Federation should, first of all, include efforts to actually achieve the goals and objectives set at the federal level.

As a result, unlike at the federal level, at the regional and municipal level it is no longer possible to exclude from consideration the economic entities' set functioning peculiarities of a particular subject of the Federation or municipal formation for two reasons:

- it is the economic complex that will actually implement the targets set at the national level;
- in contrast to the federal level, the regional and, moreover, the municipal economy can no longer and should not be considered as an impersonal-averaged management object, deprived of most of its characteristic features (instead of which at the federal level average macroeconomic characteristics are used, such as gross domestic product, national income, export volume, budget surplus, etc.). Economic complexes at this level acquire personalized features that allow distinguishing individual business entities from the total mass of economic entities of the industry.

Thus, when implementing economic management at the regional and municipal level, there arises a need to solve a number of specific economic problems that are tactical, and in a number of cases - operational. As a result, at this management level, the system of conditions describing economic interests will include more specific microeconomic than generalized macroeconomic and financial characteristics of the corresponding economic complex.

The presentation of policy as an ordered system of measures subordinated to some general principles and rules, in general, corresponds to the theoretical sense, which is put in the concept of modern scientists in the field of economics and law. At the same time, the widespread policy interpretation is limited to the consideration of only state measure system (management decisions). However, both the regional and municipal level and economic entities, as long as the state policy measures directly affect their economic interests, also have the absolute right to be considered as the full initiators of individual management decisions in this area, that is, the subjects of state policy.

The information above leads to the need to interpret socio-economic policy as a system of three aggregated subsystems of management decisions, which will be in a rather complex relationship with each other. At the same time, any attempt to unite these subsystems in order to obtain some common result (socio-economic policy as a whole) will inevitably result in the search for a mutually acceptable compromise that best reflects the multidirectional interests of all parties. And since the formal expression of the economic interests of all parties to the economic conflict is the system of conditions describing these interests, the task of looking for a compromise of interests can be formally reduced to the task of harmonizing the individual subjects' economic interests of socio-economic policy.

Further statement will be devoted to the description of the most important elements of the economic interests' coordination mechanism. We will define the goals and objectives of its operation, as well as the principles according to which the elements of the mechanism should be developed and subsequently function; describe the mechanism organizational structure and indicate the formation features of the information basis necessary for its effective functioning.

One of the most important conditions for the effective functioning of any mechanism, especially of an economic nature, is its focus. It is the presence of a well-founded and clearly defined operation purpose is one of the most important guarantees of optimal results. The purpose of the state policy functioning can be defined as follows: the achievement of science-based compromise between the divergent economic interests of different policy subjects, ensuring the most effective in the existing conditions solution of the socio-economic development task set of the country.
III. MAIN REQUIREMENTS FOR THE INFORMATION BASIS TO DEVELOP THE STATE POLICY

The very important element of the economic interests' coordination overall mechanism is its information support. It should be noted that the role and importance of information as a factor in improving the efficiency of economic relations has been steadily growing in recent years. This process is objectively due to a number of factors, including: rapidly developing in recent years, the process of economic informatization; a significant increase in the speed of economic transactions; allocation of information as one of the most popular consumer goods by society; strengthening of economy dependence as a whole and separate economic subjects on the information flows processed by them, etc.

The description of the general issues of information support of the economic interests' coordination mechanism should begin with the definition of the main problem which is information flows formation, namely the existence of a contradiction between the adequacy, relevance and economic efficiency of the necessary information.

Information support of social and economic policy implementation at each of the considered levels of the economic interests' conflict should be different at least due to differences in socio-economic objectives and tools used. At the same time, it is logical to assume that the most complete, comprehensive and specific information (that is, relevant and adequate) will be contained at the level of subjects of socio-economic policy, which is characterized by the least complex economic structure, that is, at the level of economic entities. At this level, the necessary information will be generated with the least time delay and in the largest volume.

As the other levels' economic structure of socio-economic policy subjects becomes more complicated, the process of information flows formation will increasingly be characterized by the following features:

- delay of objective quantitative information in time (inertia of information collection and processing);
- the need to replace specific indicators with their generalized approximations in order to reduce the amount of information collected and processed in order to optimize the transaction costs of its processing and storage.

This will lead to two important consequences:

- the speed of response to socio-economic policy measures will vary significantly at different levels: the most efficient will be the level of economic entities, and the greatest inertia will correspond to the federal level;
- subject to the principle of economic efficiency, the accuracy of the resulting indicators will vary at different levels – if the highest accuracy is achieved at the level of economic entities, the lowest at the federal level.

In order to compensate to the necessary extent the differences in the functioning of the economic interests' coordination mechanism at different levels of socio-economic policy subjects, we consider it appropriate to propose the following system of requirements for the information basis of this mechanism:

- the system of economic indicators that formally describe the economic interests of each level should be economically adequate to the goals and objectives of socio-economic development at this level (for example, when setting the task of the gross domestic product growth of the national economy at the federal level, the indicators of gross regional products should not be used);
- the mechanism information basis should be formed at each level based on the specific content of economic instruments through which it is planned to solve the socio-economic policy goals and objectives at the appropriate level;
- in order to comply with the principle of economic efficiency, the information base of the mechanism of coordination of economic interests should be formed as much as possible on the basis of known and widespread indicators.

IV. CONCLUSION

In conclusion, we note that the complete implementation of national socio-economic policy could be fulfilled by providing the necessary abilities for regional and municipal administration, allowing them to make entire use of regional or municipal economy to realize national development tasks. Another important condition is to provide opportunities for business entities to adapt their economic interests to the objectives of national development.

REFERENCES