Economic growth and poverty in the region: international experience, approaches and managerial mechanisms

Abstract. The article describes poverty as a socio-economic phenomenon in the country. The causes of poverty in the developed countries are reflected, taking into account the specifics of its reproduction. Theoretical and methodological aspects of the study of poverty in the territories and forms of its manifestation are investigated. This research sets the direction for reducing poverty in the territorial context and ways to improve the living standards in conditions of economic sanctions and falling incomes.

Keywords: Poverty; Territorial Inequalities; Level of Life; Quality of Life; Rich; Poor; Regions; Economic Growth

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1. Introduction. With the development of the territories at the international space, phenomenon of poverty determines the state of life and personal orientations of people, the state of the territory, the division between rich and poor with the rapid reduction of the middle class in the society.

The phenomenon of poverty is widespread not only in the countries with transitive economy and low standard of living, but also in developed countries like the USA, China, Germany, Japan and others. Particular attention should be paid to the methodological synergy of study of the relationship of economic growth and poverty from the macro-economic perspective. The situation of poverty in Russia is characterized by extremely unfavourable trends. In connection with the strengthening of territorial asymmetry in the socio-economic development of subjects of the Russian Federation (the absence of the middle class), the fight against poverty is on the list of issues about which much has been said, but few constructive practical steps have yet been suggested to reduce it. The lack of clear mechanisms to reduce poverty and slowdown of the economic growth in the Russian regions (states) stipulate the problem. This is the case in many countries in the world. In today’s world, economic growth is heavily dependent on commodity supply and demand of fixed assets (disposal and recovery), equity and debt, the quality of the means of production, the level of skills of the workforce, tangible and intangible assets (in volume), the ratio between wages and labour productivity. Each of these indicators (the value) generates both positive and negative effects on the state and development of the state (the level of welfare of the population), which ultimately should not side-step issues related to poverty of citizens residing at the certain territory.
3. Brief Literature Review. Today, the relevance of anti-poverty programs has not lost its force, but instead intensified the efforts. In 1970, the founder of the relative approach of the poverty (deprivation and median versions), British scientist P. Townsend (1979) [1] provided in his work a detailed account of the poor in society. Comparison in approaches of absolute and relative poverty, poverty measures, its measurement, non-market methods of its impact on the market on the examples of several countries are considered in works of David Stark (1989) and Haroon Chang (2015) [2-3]. Inheritance of poverty, its reproduction from generation to generation is described by Oscar Lewis (1961), who coined the term «culture of poverty», its reproduction from generation to generation is described poverty as limited chances of people in the labour market to access to the social services [5].


4. Purpose. The aim of the article is to diagnose poverty in the administrative subjects of the Russian Federation and propose direction for its smoothing in the region.

5. Results. Talking about the current economic space of Russia, we should consider not only the level of material security, but also the imbalance between supply and demand for goods and services, and in particular one should pay attention to the price differentiation for comparable goods and services in different regions of the country. Today, many economists and experts say and describe rich Russian, going its own way in the pursuit of economic development, with its own economic policies, which often have a negative impact on the development of any region. In our opinion, the top priority of any region is to improve the quality and standard of living of the population in any administrative subject of the Russian Federation. In the development of anti-crisis programs of territories (municipalities) development, one should pay attention to the problems of poverty and the causes of this social phenomenon. It is necessary to manage processes of sharing benefits and prevent «skew» in the development of economic sectors, the reduction of income asymmetry in the sector, relatively high wages in the sectors of the economy (big spread in wages)
as well as the allocation of grants and subsidies to the regions, will lead to the fact that even when economic is growing, the poverty may not reduce, but even increase.

6. Conclusion. To stabilize the situation in the country in the context of socio-economic development of territories, increase the level and quality of life, we need to pay attention to the problems of the population in Kursk region and the remaining 84 other regions of Russia. Avoiding the problem by the authorities and the business only enhances the growth of poverty and social conflicts. The fiscal policy of the Russian Federation subjected on the reallocation of funds from the «strong» municipal areas (regions) to the «weak» ones should have an impact on the development of the territories and the fight against poverty. The financial resources involved in solving this problem should be used efficiently and be sufficient to begin the process of self-development of economically weak areas.

References