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**CONCEPTUAL APPROACHES TO ANALYSIS AND ASSESSMENT
OF REGIONAL SOCIO-ECONOMIC SYSTEMS DEVELOPMENT RISKS**

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Abstract

The regional nature of Russian economy makes it necessary to study and comprehensively assesses regional socio-economic systems development risks. Regional socio-economic systems develop in different ways, thus giving rise to a sufficient number of factors which have a negative impact on conducting adequate assessment of territories' socio-economic development level. The article objective is to clarify the concept of economic category "risk" and study complex approaches to system analysis and assessment of regional socio-economic system development risks and threats. The research results present classification of risks and threats to regional socio-economic systems development based on totality of characteristics and identifies two basic approaches to studying a set of socio-economic risks. A selective method for risk analysis is presented within the framework of the first approach and negative factors impact on risks is determined. Integral risk-determining factors for specific types of risks were identified within the framework of the second approach, in so doing, complex impact of such factors on other groups of risks associated with them was not identified.

Keywords

Risks – Socio-economic system – Economic regionalization – Likelihood of risks

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Introduction

Society spatial and territorial organization is rather complex phenomenon which involves placing production objects and social infrastructure in certain part of the state. Besides, it involves affirming positive dynamics in the development of a particular territorial socio-economic system of society, processes of spatial reproduction, and their expedient management.

There are complex transformation processes associated with establishing market management type. In such a situation, the desire of the federation subjects to steadily and successfully develop often encounters public administration ineffective mechanism and lack of preparation on the part of state institutions, including institutions for eliminating negative factors in regional socio-economic system development. The Russian Federation national economy is characterized by a clearly expressed regional character, which implies that all its development problems cannot be effectively addressed at the federal level. Regions play a key role.

The regions social and economic systems have different resource and production capacities. They also possess respective institutional and adaptive characteristics of functioning in modern conditions. While regional economic system is structurally reorganized, there is an objective imbalance in modernized economy needs and available resources, intensification policy requirements and principles of the region sustainable economic development. Strengthening differentiation of regional economic system development resulted in a sufficient number of factors that have a negative impact on conducting adequate assessment of territories socio-economic development level. Analytical, assessment, and forecasting methods used in regional studies do not enable researchers to promptly take into account changes in social and economic systems internal and external environment.

An important requirement for dynamic and effective development of regional socio-economic systems is sufficient, timely, and reliable information about functioning conditions, territories development features, means and methods for solving urgent problems, as well as effective mechanism for minimizing situational hazards and possible (existing) systemic risks. Forming effective directions for regional development of spatially localized systems, which are developed on the basis of conducted status and perspectives studies, and forecasting development trends form framework for resolving such problems. A comprehensive socio-economic assessment of territories development makes it possible to work out adequate management decisions to reduce socio-economic space polarization; to take into account functioning conditions when regional socio-economic policies are implemented, and to minimize possible risks¹.

Materials and methods

One of the key criteria for effective regional socio-economic system development is reducing failure risks to meet targets. Regional authorities and business entities are, by definition, called upon to pay close attention to risk management issues even in relatively stable economic conditions. Studying risk theory issues was to a certain extent needed only until late 1920's.

¹ E. A. Anoshkina, Creating regions: institutional and economic foundations: monograph (Moscow: Akadimicheskii proekt: Gaudeamus, 2006).

Later on, as socialist economic system became more developed, the role of command and administrative management methods was strengthened. These factors combined with elimination of market economy motivation resulted in overlooking economic and social risk issue. Economists worked on local problems but their research was not considered a conceptual methodological outline. As a result, cost principles were established in economy².

This was one of the reasons for destroying centralized management system in late 1980's - early 1990's, which caused destruction of economic ties built within the framework of USSR former single economic space. Due to this situation, Russian regions have been experiencing large-scale instability since early 1990's, which, among other factors, is affected by the lack of a unified methodology for system analysis and concept of risks minimizing in developing regional socio-economic system³.

Regional systems economic space structure includes a certain combination of interconnected regional economy elements that are in a complex interaction in the process of its development. Economic space structural elements are positioned on the basis of typological features. From the point of view of its administrative-territorial division, economic space includes several levels, each of which appears as an independent territorial system, its interconnection and interaction determines hierarchy of regional systems in space⁴.

Space economic zoning covers the territory economic organization as a set of economic regions formed on the basis of territorial division and cooperation of social labor. Regional system economic space as a whole is structured by several performing certain functions, interconnected subspaces systems: natural-ecological (natural conditions and resources), social (population), production (space of factors), financial.

Economic space positioning on the basis of its administrative-territorial division and economic zoning, forming its basis, constitute a spatial "basis", while the administrative "superstructure" forms a system of state, regional and local authorities and management corresponding to territorial division⁵.

Numerous risk definitions in the economic literature shows that this economic category has not yet acquired universally recognized, stable, logical features that make it possible to distinguish specific content of the phenomena under consideration.

The ambiguity in the interpreting features, properties and elements for understanding risk made it necessary to disclose risk criteria bases by considering cyclic nature of risks components functioning: the source of risk, i.e. hazards; manifestation of danger; exposure to risk; vulnerability; interaction with other risks; effects (results) of danger, schematically presented in Figure 1.

² Making Sense of Clusters: Regional Competitiveness and Economic Development. Retrieved 11.10.2017 from: http://www.brookings.edu/reports/2006/03cities_copyright.aspx

³ O. V. Buresh, Regional management in market conditions (Moscow: Editorial URCC, 2001).

⁴ Regional and Country Competitiveness. Retrieved 08.10.2017 from: <http://www.weforum.org/issues/regional-competitiveness>

⁵ M. Mashatt; D. Long & J. Crum, Conflict — sensitive approach to infrastructure development (Washington, US Institute of Peace, 2008)

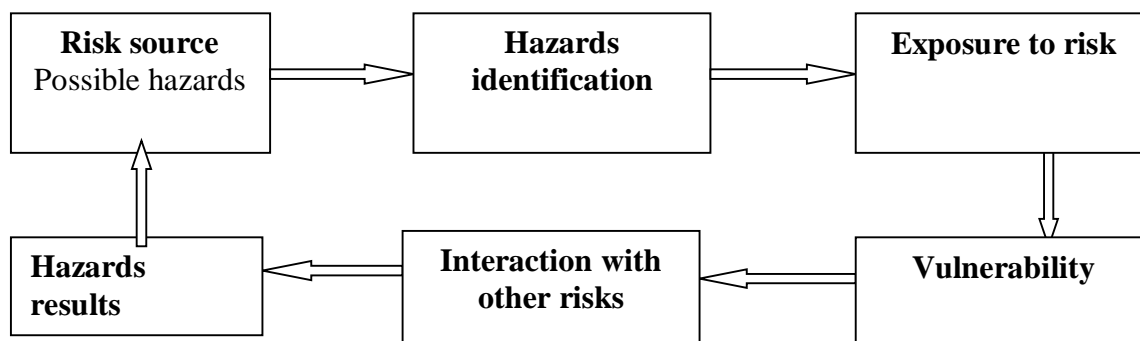


Fig. 1
Basic functioning components of cyclic risks

Based on combination of probabilistic, revenue, and management criteria, risk is recommended to be interpreted as conditions, which, when implemented, are likely to reduce possibility of achieving intended goal or obtaining desired economic and socio-political effect.

However, many researchers define risk in generalized form as a possible risk of loss, resulting from certain specific nature phenomena and human activities. In other words, risks can be inherent in virtually any form of economic, public or management activity. Risks can be different by source, timing and circumstance that give rise to risks; and according to their analysis, evaluation and minimization methods⁶.

The authors of the article also agree with the view that risk is a potential, numerically measurable possibility of adverse situations and related consequences in the form of crisis sociopolitical situations, social tensions or economic losses.

It may be a loss of profit, revenue or financial resources in the latter case, due to uncertainty, i.e., with accidental change in economic activity conditions, unfavorable, including force majeure circumstances, general drop in market prices; possibility of obtaining unpredictable results depending on the economic decision or action taken⁷.

Likelihood of risks is probability that as a result of managerial or economic decision, certain losses will occur in social or economic sphere, i.e., there is a probability of an undesirable outcome. There are two methods for determining undesirable events probability: objective and subjective.

The objective method is based on calculating the frequency a particular result was obtained under similar conditions. The subjective method is an assumption about a certain result. This method of determining likelihood of an undesirable outcome is based on knowledge, skills and personal experience of regional managerial team representatives of economic entities managers. In this case, in accordance with the results of available experience analysis and the leader's intuition, it is expedient to make a systemic assumption about the probability of events.

⁶ V. Algin, "Analysis and assessment of risk and uncertainty in making investment decisions", Risk Management, num 2 (2001): 38 - 43.

⁷ R. Friedmun & J. Kim, "Political risk and international marketing", Columbia Journal of World Business, vol: 23 num 4 (2009): 63-74.

Risk measurement is determining the likelihood of risk situation or event occurrence. When assessing risks that regional socio-economic system is able to independently minimize or even prevent, first of all, it is necessary to proceed from a particular region specific features; its socio-political importance in the country; the availability of sufficient resource, financial and staff capacity; as well as the level of resolving citizens' social protection problems and political stability in the region⁸.

As it has been mentioned above, there are many definitions of "risk" in modern literature on Economics. Apart from definition of risk as likelihood of loss or loss of revenue compared to the forecasted option, it is also true that risk is acting on good luck without being completely sure of success. Risk cannot be avoided in any form of both economic and social activity. Consequently, it is present both in implementing managerial decisions and in social and economic policy. Well known scientific sources are characterized by ambiguity in interpreting features, properties and elements of risk, in understanding its content, objective and subjective aspects ratio⁹.

Various opinions on the nature of risk are, in particular, due to the multifaceted nature of this phenomenon, its almost complete disregard existing economic legislation, inadequate use in real economic practice and management activities. In addition, many researchers do not realize that risk is a complex social and economic phenomenon which has many unmatched, and often opposite, real reasons.

The above definitions do not, in the authors' opinion, cover all the features of the term "risk" contents. It is useful to identify the concept of "risk situation" for a more complete definition of "risk", since it is directly related to the term "risk" contents.

The concept of "situation" can be defined as a combination of various circumstances and conditions that create a certain environment for a particular type of activity. Elements of uncertainty are inherent in many economic processes functioning and development. This causes emergence of situations which do not have an unambiguous outcome. Therefore, the essence of the concept "risk situation" can be defined as a combination of various circumstances and conditions that create a certain environment for a particular activity type. If there is a probability of determining degree of a particular option probability quantitatively and qualitatively, then this is risk situation.

In this case, risk situation will be accompanied by three conditions:

- presence of uncertainty;
- need to choose an alternative (including opt-out);
- opportunity to assess the likelihood of alternative choices¹⁰.

Results

Risk situation should be distinguished from uncertainty situation. The latter is characterized by the fact that probability of decision or events results occurrence is not likely

⁸ E. Vahrushina, "Risk assessment in business", *Economy and Life*, num 11 (2000): 21 – 28.

⁹ M. Goldman, "Modern methods of risk assessment", *Problems of Management Theory and Practice*, num 4 (2005): 32 – 36.

¹⁰ T. I. Trubitsyina, "Risk management in socio-economic development region", *Vestnik VolGu. Series 3: Economics. Ecology*, num 2 (1998): 38 – 43.

to be determined. Whereas risk situation can be characterized as a kind of uncertainty, when the occurrence of events is likely and can be determined, i.e. it is objectively possible to assess the probability of events that are presumably due to implementing control actions¹¹.

There are several modifications of risk:

- a subject who makes a choice from several alternatives, has at his/her disposal objective probabilities for obtaining expected result, based, for example, on the statistical studies carried out;
- expected result probability can be obtained only on the basis of subjective estimates, i.e. the subject has to do with subjective probabilities;
- a subject has both objective and subjective probabilities, while selecting and implementing an alternative.

Striving to "take off" risky situation, the subject makes a choice and seeks to implement it. This process is manifested in the notion of "risk". The latter exists both at the stage of choosing solution (action plan) and at the stage of its implementation. In both cases, risk appears as a model of the subject's uncertainty withdrawal, a way of practical resolution of the contradiction in unclear (alternative) development of opposing trends in specific circumstances.

In these circumstances, more complete is definition of the concept "risk", given in the book "Market and Risk":

Risk is an action (act) performed in the conditions of choice (in a choice situation in the hope of a happy outcome), when in case of failure, there is a possibility (the degree of danger) to be in a worse situation than before the choice (than in the case of failure to perform this action).

There is such a feature as alternative along with danger, possibility of failure in this definition. One of risk types is both negative and positive probability to deviate from the chosen goal.

Thus, risk is understood as probability (threat) of losing part of own resources; losing revenue or additional costs emergence as a result of implementing a certain socio-economic, production and financial policies.

The variety of situations and problems arising in business units of different levels and different functioning objectives makes researchers identify each uncertainty source by its type of risk. Differences in points of view and degree of detail are likely to result in using an indefinite number of risks. It is also difficult to classify risks due to close interconnection and risk substitution. Risks classification is directly dependent on the point of view and to some extent reflects risk perception in the society.

Risk classification is based on a wide range of characteristics¹²:

- reason for occurring;
- risks inherent in certain activities;

¹¹ E. Vahrushina, "Risk assessment in business". Economy and Life, num 11 (2000): 21 – 28.

¹² V. P. Oreshin, Managing regional economy (Moscow: Teis, 2009).

- risk object;
- risk consequences scale;
- activity influence degree;
- forecasting possibility;
- other signs.

Different types of risks are distinguished in the literature. Risks differ by place and time of occurrence; the totality of external and internal factors affecting their level, therefore, they are distinguished according to their analysis and reduction methods. As a rule, all types of risks are interrelated. These circumstances justify decisions adoption to optimize risk and require in-depth analysis of specific risks composition, as well as causes and factors of their occurrence¹³.

There is no harmonious system of risks classification in economic literature. There are many approaches to risks classification, which, as a rule, are determined by classification goals and objectives. The most important elements underlying risks classification are: time of occurrence, main factors of occurrence, record method, and nature of consequences, scope of occurrence, and other elements.

Risks are divided into retrospective, current, and prospective by the time of occurrence. The analysis of retrospective risks, their nature and methods of reduction makes it possible to more accurately predict current and future risks.. Analysing retrospective risks, their nature and reduction methods makes it possible to more accurately predict current and future risks.

Risks are divided into political and economic (commercial) by factors of occurrence. Political risks are risks caused by changes in political environment affecting business activity (border closure, prohibition of goods export to other countries, military actions on the country territory, etc.)¹⁴ Economic risks are risks caused by unfavorable changes in enterprise economy or in country economy. The most common type of economic risk, in which private risks are concentrated, is change in market conditions, unbalanced liquidity (inability to timely fulfill payment obligations), change in management level, etc.

These types of risks are interrelated, and o they are often difficult to separate in practice.

By accounting nature, risks are divided into external and internal¹⁵.

External risks include those not directly related to enterprise activities or its contact audience activities. External risks level is affected by a very large number of factors: political, economic, demographic, social, geographic, etc. Internal risks include those caused by enterprise activities and its contact audience activities. Their level is influenced by company's management business activity, choice of optimal marketing strategy, policy and tactics, and other factors: production potential, technical equipment, specialization level, labor productivity level, safety standards.

¹³ A. V. Andreychikov, Analysis, synthesis and decision planning in economy (Moscow: Finansi I statistika, 2010).

¹⁴ A. G. Granberg, Basics of regional economy (Moscow: GU VSE, 2006).

¹⁵ E. K. Doeva, Finance of the economic region (Vladikavkaz: VIU, 2011).

Risks are subdivided into pure and speculative by consequences nature¹⁶.

Net risks (they are sometimes called simple or static in literature) are characterized by the fact that they almost always carry a loss in business activity. The causes of pure risks can be natural disasters, wars, accidents, criminal acts, incompetence of the organization, etc.

Speculative risks are characterized by their ability to carry both losses and additional profits for entrepreneurs in relation to expected result.

Production risk is related to company's failure to fulfill its plans and obligations to manufacture products, goods, services, other types of production activities as a result of unfavorable environmental impact, as well as inadequate use of new equipment and technologies, fixed and circulating assets, raw materials, working time.

Possible decrease in estimated production volumes, increase in material and / or other costs, higher taxes and deductions payment, low supply discipline, death or damage to equipment, etc. are the most important reasons for industrial risk.

Commercial risk arises during the process of selling goods and services produced or purchased by an entrepreneur. Commercial risk causes are: decrease in sales volume due to changes in market conditions or other circumstances; increase in goods purchase price; loss of goods in circulation process; increase in circulation costs, etc.

Financial risk is associated with company's possibility of failing to meet its financial obligations. In this case, risks are classified according to the following reasons¹⁷:

- due to other risks: uncorrelated - correlated, substitutable - unsupervised, primary, complex (of several risks);
- due to consequences assessing scale: catastrophic, critical, significant, moderate, minor, small;
- due management capabilities: explicit, hidden, measurable, immeasurable, predictable, unpredictable, transmitted, non-transferable, controlled, uncontrollable, direct, indirect;
- by risk source: systematic and individual;
- due to economic consequences for economic unit: risk of ruin, risk of losing capital, risk of revenue loss, risk of profits loss and inefficient investments.

Thus, risk grouping can be carried out using different classification criteria (causes and areas of occurrence, management stages, scale, admissibility degree, activity scope, impact duration, insurance possibility, etc.). The number and variety of risks are so great that their composition definition must be based on systematic approach. The authors of the article grouped economic activity risks by structuring various classification criteria.

Table 1 provides risks classification by combination of criteria.

¹⁶ V. N. Laksin, State and Regions. Theory and practice of territorial development state regulation (Moscow: Unity, 2003).

¹⁷ T. I. Trubitsyina, "Risk management in socio-economic development region", Vestnik VolGu. Series 3: Economics. Ecology, num 2 (1998): 38 – 43.

Classification Criteria	Risks Types
1. By subjects	Particular regions, districts Social groups, individuals
2. Economic, political, social and other systems	Regional economy branches Business entities Particular Activities Inter-ethnic, inter-confessional relations
3. By damage degree	Partial risks - planned indicators Admissible risks - planned indicators, actions, results are not achieved. Critical risks - planned indicators, there are certain losses, but integrity is preserved Catastrophic risks - failure to fulfill planned result entails subject destruction (society as a whole, region, country, social group, individual, industry, enterprise, line of business, etc.).
4. By manifestation spheres	Economic risks associated with changes in economic factors Political risks , changes in the political course of the country Social risks associated with social difficulties (risk of strikes, inter-ethnic risk, etc.) Environmental risks associated with environmental disasters and disasters Regulatory and legislative risks associated with changes in legislation and regulatory framework
5. By origin sources	Non-systematic risk , specific character of a particular subject action Systematic risk , market volatility, is the same for the same type of subjects
6. In relation to economic entity and regional authorities	External risks: - risks associated with economic legislation instability and current economic situation, - External economic risks (the possibility of imposing restrictions on trade and supplies, closing borders, etc.); - possibility of deteriorating political situation, risk of adverse socio-political changes in the country or region; - possibility of natural and climatic conditions, natural disasters, changes; - incorrect estimation of demand, competitors, and prices for project products; - fluctuations in market conditions, exchange rates, etc. Internal risks: - the level of public confidence in political leadership; - risk associated with improper selection of management structure - uncertainty of regional development objectives; - on-coincidence of interests in power structures links. - risk of changing priorities in the region development and fear of losing support from the country's leadership; - incomplete or inaccurate information on the region financial situation and results of financial resources usage
7. By resulting factors	Dynamic risks can lead to both losses and revenue Static risks can only lead to losses.

Table 1
General Classification of Regional Socio-economic System Risks

Major risks and losses classification is produced below in *Table 2*.

Losses and risks	Contents
1.Labour losses	Losses of time funds, including workers, caused by accidental, uncertain circumstances. Unemployment rate.
2.Financial and investment losses	Monetary losses, related to inadequate investment projects; additional taxes payment; corruption damage and cash and securities loss and non-receipt of money from the sources provided. Inflation, changes in exchange rate, funds withdrawal (additional funds to the national or local budgets).
3. Time losses	Slowdown in implementing development regional programs and development of entrepreneurship development in comparison with the planned one.
Social losses	Damage to people's health and life, tensions in inter-ethnic and inter-confessional relations, damage to environment, state prestige, political leadership image
Determining losses and risks	If one of considered losses is such type that, either in magnitude or in probability of occurrence, deliberately suppresses others, then in quantitative assessment of risks level, only this type of loss can be taken into account.
Random and systematic types of losses	Systematic losses types are included and accounted for in all socio-economic activities types. Inevitable losses and losses from accidental events development (unpredictability can sometimes give a positive result).

Table 2
Types of Regional Socio-economic System Losses and Risks

Risks typology and classification carried out in order to systematize theoretical notions about risks and their adequate assessment makes it possible to expand and streamline existing approaches to risk classification in economic entities activities. The identification of regional socio-economic systems development risks is based on analyzing this phenomenon genesis from evolutionary and civilization points of view. The first approach is associated with allocating and accumulating risks in the process of economic system reproduction and transformation. It involves allocating, reproducing, and transforming risks subtypes. The second approach, based on stage and historical principle, enables researchers to distinguish pre- industrial, industrial and post-industrial subtypes of risks. Each individual risk type correlates more or less with one of these types and subtypes.

Discussion

They do not exist in a pure form in real economic practice, since each of them simultaneously is characterized by transformation and civilization features, only some features predominance at a certain development stage makes it possible to "combine" risks typology and classification in accordance with these grounds.

The criterion corresponding to system characteristics can be used as the basis of this risks classification:

- functional

- structural
- dynamic

According to these criteria, types and sub-types of risks are distinguished by their functions:

- regulatory
- analytical
- innovative
- protective

Structurally, proceeding from the leading subject:

- manufacturer's risk
- seller's risk
- buyer's risk
- owner's risk
- investor's risk

Proceeding from the object:

- property risks
- revenue- related risk
- personnel-related risks

Proceeding from sphere:

- industrial
- agricultural
- infrastructural

Proceeding from scale:

- local
- national
- global

Based on the level:

- regional
- National
- global

Proceeding from dynamics, depending on system state at each stage of its life:

- restructuring and transforming risks
- crisis and comfort
- catastrophic and coquiritid

Risk subtypes combine specific risks, proceeding from specific features, phenomena and processes of economic systems functioning and development in a specific historical

context. Risks modification and differentiation of, and, consequently, their types diversity is associated with composition, structure, functions, state and contours of economic system, as well as environmental impact, mergers, downsizing.

System-evolutionary analysis of regional economic system makes it possible to distinguish two properties of its development: conservatism and innovation. The system should be arranged so as to ensure its own survival, stability in uncertain conditions as well as time development, evolution, approaching declared goal.

The need to maintain stability makes system conservative and resistant to transformational influences. In this case, factors weakening its stability can be assessed as development risks. On the other hand, need for targeted change, movement towards the goal, and improvement requires system to be modified, so as to form and implement management functions. From this perspective, risks generated and accumulated during socio-economic systems functioning act as source provoking change. In this regard, social development in time and space can be represented as dual system, characterized by categories "safety-risk".

Development direction (vector) is determined by positive and negative trends ratio existing in the country and regions. In case positive tendencies prevail, economy productivity outruns risks reproduction (mainly safe development). Negative orientation reflects reverse process (mostly risky development).

Besides, during economic system transformations and their consequences, positive (carrying a positive social charge to social and economic system) and negative (imparting a negative impulse to social and economic system) risks are to be distinguished¹⁸.

Positively charged risks contribute eventually to system improvement and transition to qualitatively new development level.

Negatively charged elements (hazards) cause destructive processes in system, up to its destruction. Studying risk specific features makes it possible to use it as an effective management tool influencing decision-making on economic resources allocation in order to increase social and economic potential for sustainable and safe development.

Risk arising from one's own activities risk (local risks) and risk of interaction with other economic entities becomes typical under uncertain conditions of developing regional socio-economic system. Local risk of losing each economic entity is determined by effect of economic, political, social, environmental risk factors in the region, which gives rise to additional effect: integrated regional risk formed in context of subjects' uncertain economic interaction. Integrated regional risk acts as total value of all economic entities local risks generated by their complex financial ties¹⁹.

Regional socio-economic system integral risk is of complex nature, which is based on contradictory interests of different power structures levels representatives, conflict situations emergence and possible trade-offs among regional economy subjects. Such subjects include production organizations; providing non-production services; carrying out

¹⁸ V. Algin, "Analysis and assessment of risk and uncertainty in making investment decisions", Risk Management, num 2 (2001): 38 -43

¹⁹ E. Vahrushina, "Risk assessment in business", Economy and Life, num 11 (2000): 21 – 28.

region population social support; financial and credit enterprises; population living on region territory; federal and regional authorities, who influence budget funds formation and distribution at appropriate level.

Moreover, regional conflicts are created by contradictory economic interests of federal center, which seeks to strengthen and develop Russian national economy common space, federal district authorities, aimed at strengthening their own economic space unity. Another reason for regional conflicts is contradictions between socio-economically strong regions seeking to maintain control over their potential and to realize their competitive advantages in the context of expanding interaction space and socioeconomically weak regions seeking to maintain and increase financial assistance from federal center, and to gain access to new sources of macro-regional financial support.

Thus, conflict situation between socio-economic relations subjects in the regions is risk source for region development and determines region specific features. This situation, in turn, makes it possible to identify and systematically present factors of development integral risk: administrative-legal, political, socio-demographic, natural-climatic, resource, ecological-economic, national-ethnic.

Particular region development is focused on positive dynamics of economic system socio-economic development parameters. Achievement of these parameters is determined by a unique combination of internal and external environment factors, production structure features, geographical location, and production specialization. Therefore, it is expedient to disclose integral regional risk essence by means of characterizing socio-economic potential as economic resources aggregate, sources and resources reserves for realizing social and economic goals of regional development²⁰.

Integral risk of region social and economic development is likely to reduce socio-economic potential, which is due to lack of stability in economic, political, and social spheres and is manifested in negative dynamics region's potential structural elements.

Conclusion

In current unstable market conditions, it becomes necessary to form balanced approach to forming integrated system for minimizing the risks of economic entities' and whole regions' risks as significant medium for national economy development. The lack of such a management system at enterprises and regional authorities' activities exacerbates risk negative impact on economic and social development results, both at microeconomic and regional levels. Two basic approaches to studying socio-economic risks set are presented in economic literature. Rather strong tendency to selective risk analysis is traced, and all factors which affect these risks are taken into consideration within framework of first approach. However, complex impact of integral risk-forming factors on whole risk groups is ignored, which makes recommendations to optimize risks under study considerably less effective. The authors of the second approach try to identify integral risk factors for specific types of risks, while not outlining such factors generalized effect on groups of risks associated with them²¹.

²⁰ T. G. Morozova (ed), State regulation of Economy. (Moscow: Unity-Dana, 2001).

²¹ V. N. Leksin, State and Regions. Theory and practice of territorial development state regulation (Moscow: Unity, 2003).

Searching for ways to prevent economic risks at the level of territorial economic entity can be considered ineffective in case of ignoring possibility of overcoming typical risks that threaten both economic entities and managing structures. Regional risks, including economic, environmental and social, are a complex phenomenon, requiring systematic research at regional power structures level²². However, risks set in management process can be combined from the position of forming and analyzing the state of risks of the regional economy, taking into account the risks of the financial system as the basis for the effective functioning of almost any regional socio-economic system.

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²² T. I. Trubitsyina, "Risk management in socio-economic development region", Vestnik VolGu. Series 3: Economics. Ecology, num 2 (1998): 38 – 43.

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