

To cite this paper:

Doroshenko S., Dzhabiev V. (2021) Institutional mechanisms for the development of industry in economically isolated territories. *Human Progress*. 7 (4): 2. URL: http://progress-human.com/images/2021/Tom7_4/Doroshenko.pdf. DOI 10.34709/IM.174.2

INSTITUTIONAL MECHANISMS FOR THE DEVELOPMENT OF INDUSTRY IN ECONOMICALLY ISOLATED TERRITORIES

Svetlana Doroshenko

Doctor of Economics, Associate Professor, Head of sector
in Institute of Economics of the Ural Branch of RAS
Yekaterinburg, Russia

Viacheslav Dzhabiev

Researcher in South Ossetian Scientific Research Institute named after
Z.N. Vaneev under the President of the RSO
Tskhinval, Republic of South Ossetia

Abstract. The development of their own industrial production is of strategic importance for the regions, which, as a rule, are in conditions of economic isolation for political reasons. The study purpose is to substantiate the institutional mechanisms of industrial development in South Ossetia. A descriptive analysis of industrial development for 2016-2020 was carried out, which showed that today the light and food industry enterprises have the best indicators. The main features and problems of industrial development are identified, including a lack of capacity, a shortage of personnel, limited "investment attention", etc. It is proposed to consider the institutional mechanisms of socio-economic self-development as a set of elements that determine the configuration of relations between economic entities in order to ensure endogenous self-development and the maximum possible reduction of costs and risks caused by the economic isolation. The features (barriers), the key principles of the mechanisms formation are highlighted. The institutional mechanisms of industrial development are understood as a set of interrelated elements that ensure the regulatory, normative and cognitive stability of the industrial production development. The concept of an institutional mechanism for the industry development of states in the economic isolation conditions is proposed, where the contours, the main elements, including the institutional intermediary, are highlighted.

Keywords: institutional mechanisms; principles; structure; economic isolation; self-development; industry; South Ossetia.

JEL codes: R11; J11.

References

1. Akhmetshi, E.M.; Pavlyuk, A.V.; Hasanov, E.L.; Sverdlikova, E.A.; Kadyrov, M.A. Institutional mechanisms for implementation of entrepreneurial potential of the population of the region // Journal of Applied Economic Sciences. 2018. Vol. 13. № 7. P.: 2052-2075.
2. Kantor, J.R. The Mechanism of Institutional Development. Chapter 11 in An Outline of Social Psychology. Chicago: Follett Publishing. 1929. P.: 307-334.
3. Hollingsworth J., Rogers; Boyer, R. Contemporary Capitalism: The Embeddedness of Institutions. Cambridge Studies in Comparative Politics. Cambridge: Cambridge University Press. 1997. 512 p.
4. Williamson, O.I. Economic institutions of capitalism: firms, markets, "relational" contracting / A.I., Williamson [trans. Yu.E., Blagova et al.; scientific ed. by B.C., Katkalo]. Saint Petersburg: Lenizdat. 1996. 702 p.
5. Averina, I.S. The institutional mechanism for stimulating innovation activity: contradictions and the possibilities of their resolution // Electronic journal "Modern problems of science and education". 2013. № 3. URL: <https://science-education.ru/ru/article/view?id=9510>.
6. Zhuk, S.I. Institutional mechanism as a tool for coordinating economic activity // Socio-economic and technical systems. 2009. № 1. URL: https://www.elibrary.ru/download/elibrary_15620032_84028298.pdf.
7. Istomin, S.V. Features of institutional mechanisms in the transformed economy // Bulletin of the Chelyabinsk State University. 2010. № 6 (187). Economy. Vol. 26. P.: 52-56.
8. Lebedeva, N.N. The institutional mechanism of the economy: the essence, structure, development. Volgograd: Publishing house of the Volga. 2002. 326 p.
9. Inshakov, O.V.; Lebedeva, N.N. Typology and classification of institutional mechanisms // The economy of the region's development: problems, searches, prospects: yearbook. Issue 1. Volgograd: Publishing house of the Volga. 2002. P.: 24-37.
10. Kislaya, T.N.; Golubtsova, O.A. The mechanism of formation of the strategy of self-development of an unknown republic // Bulletin of the Faculty of Management of SPbGEU. 2017. No. 2. P.: 30-39.

Contact

Svetlana Doroshenko

Institute of Economics of the Ural Branch of RAS

29, Moskovskaya str., 620014, Yekaterinburg, Russia
doroshenkos@mail.ru

Viacheslav Dzhabiev
South Ossetian Scientific Research Institute named after Z.N. Vaneev
under the President of the RSO
3, Jyota Alana Avenue, Tskhinval, Republic of South Ossetia
ir_les@mail.ru