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Economic Aspects Of Sustainable Development The Building Production In The Region

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ABSTRACT

Theoretical and practical issues of improving the efficiency of development of construction production in the region, as well as recommendations for improving the organizational and economic mechanism of functioning of organizations in this sphere are set out. Particular attention is paid to the development of a set of measures to manage them, taking into account territorial features. Designed for construction workers, managers, and specialists of organizations, graduate students and trainees.

Keywords: development, construction, building, efficiency, economic.

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INTRODUCTION

The construction industry is of great importance in the development of the country's economy, due to the fact that it is connected with all sectors of the economy, both participation in their development and consumption of final products. Construction represents a significant branch of material production, which contributes to an increase in production through scientific and technological progress, the maximum improvement of production forces, and the social and economic growth of the regions [1]. The effective development of this industry is the result of a sustainable socio-economic position of regional systems.

MATERIALS AND METHODS

In practice, in strategic management, graphical interpretations are widely used for analyzing situations, developing solutions, selecting the best, etc. The most widely used are the following types of schemes: input - output, flows, process flows, action sequences, control loop, connections, systems, influence of causes.

The input-output scheme can be used for setting goals, analyzing the structure, presenting information, etc.

To summarize the results of the construction industry, it is necessary to identify a number of areas, including the definition of the main objectives of the study, the object of study, the final result of production activities, the boundaries of the study and sources of information.

Table 1: Brief description the research areas to improve the competitiveness of the construction complex

The most important parameters characterizing the results of research	Research areas		
	Research of various market segments	Competitor strategy research	Reference Study
Determination of the main objectives of the study	Analysis of markets, their distribution by sectors, the impact on their development of certain goods and services	Analysis of the strategies of competing firms	Analysis of what leading manufacturers do, their goals and results
Definition of the objects under study	Customer needs	Competitor strategies	Methods used to maximize customer satisfaction
Definition of the investigated field of activity	Product	Market structure	Products and methods of its production
Defining the boundaries of research	Ways to meet needs	Market activities	All types of testing (functional, level of competitiveness, etc.)
Identifying sources of information	Customers	Analytics Specialists	Products leading or competing firms

RESULTS AND DISCUSSION

The business statistics in Russia over the past 10 years shows the closure of a larger number of small business organizations than was open. Only 3% of Russian small organizations live more than three years.

This conclusion was made by researchers from the company EY in the pre-crisis year 2014. The authors of the report also made comparisons with other countries that have a similar number of entrepreneurs. In Greece, for example, 12.6% live longer than three years, in Spain - 8.39%, in Finland - 6.65%, in Norway - 6.15% [2]. Less than 20% of total GDP is accounted for by small businesses in Russia. Thus, we can conclude that the development of entrepreneurial activity in the country requires special scientific approaches to substantiating the ways to increase effective development and economic growth in the context of real-time financial instability. One of the most important complexes, which largely determines the formation and

dynamic development of all sectors of the regional economy is the building complex. And one of the areas of economic research in this area is the assessment of the development of construction production in comparison with the possibilities of consumers of these services and resources of the regional system as a whole.

Analyzing the current trends in the development of the construction services sector, it can be noted that the Moscow Region (5.7 million m²), the Leningrad Region (2.9 million m²), and the Krasnodar Territory (1.9 million) are leading in terms of commissioning in 1H2018 m²) (Figure 1).

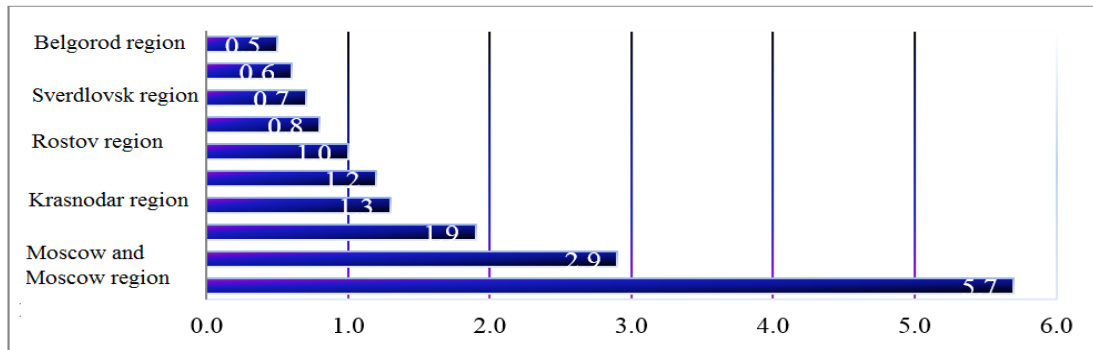


Figure 1: Top 10 regions of Russia by the volume of housing commissioned according to the first half of 2018, million m²

For clarity, table 2 shows the companies - the largest developers of the Russian Federation in terms of housing construction in 2017. The reason for ranking is the total area of apartment buildings put into operation in 2017.

Table 2: Leading development companies and contractors in the Russian Federation

No in rating	Company name	Main regions of presence	Commissioned in 2017, m ²
1	PIK Group	Moscow, Moscow region, St. Petersburg	1 538 422
2	Holding Setl Group	St. Petersburg, Leningrad region, Kaliningrad region	1 221 129
3	FGC "Leader" (together with "DSC-1")	Moscow, Moscow region	971 000
32	LLC Neftestroyindriya-Yug	Krasnodar region	161 136
43	LLC SIC "Development-South"	Krasnodar region, Rostov region	126 500
44	GC "Flagman"	Krasnodar region	123 518

Most of the citizens of the Russian Federation prefer to buy housing in a mortgage, as only 1 person out of 100 can afford to buy their own housing at once.

The ambiguous situation associated with the unstable growth of construction production is also observed in one of the largest regions of the country - the Krasnodar Territory. The region is endowed with fertile lands and a favorable climate conducive to the development of many activities. But small business in such areas as construction, agriculture, mining, fishing, manufacturing, production, and distribution of electricity, gas, water, education, health care is represented slightly. This trend is associated with high barriers to entry into the markets for products of these industries, the dominance of imports, the lack of clear guidelines from the state in supporting small businesses and economic development prospects.

In September 2018, the center of the region was given the status of a millionth. These statistics are an important indicator in the construction industry. It should be noted that this necessitates the construction of a sufficient number of facilities in order to meet the needs of the population in such areas as housing complexes, sports facilities, entertainment complexes, and so on.

The average annual number of people employed in construction is about 225 thousand people out of the total number of people employed in the economy of the Krasnodar Region. The Kuban for many years is the leader in the scale of the Southern Federal District in terms of the volume of construction works and the commissioning of the housing. On the scale of the Russian Federation, it keeps in 2nd place after the Moscow region in terms of the volume of housing commissioned, and also in 5th place in terms of construction.

It should be noted that the highest investment activity in 2016 was recorded in such activities as transportation and storage, which leads to the implementation of large-scale projects.

In 2017, construction organizations in the Krasnodar Territory commissioned 161 nonresidential buildings, including premises for poultry, storage facilities for vegetables and fruits, etc.

However, there was a significant disproportion between residential buildings, engineering and especially social infrastructure - kindergartens, schools, and clinics became in great short supply, especially in the capital of the region - the city of Krasnodar. Often in new housing estates, people get to their new apartments for years on uncomfortable gravel roads, there are no parking spaces for cars.

Krasnodar Territory remains at the leading positions in the Southern Federal District in terms of the volume of construction and installation works and the commissioning of the housing [4].

In the all-Russian ranking, by the end of 2017, the region ranked sixth in terms of the volume of construction work performed.

In 2017, in the Krasnodar Territory, about 6 thousand organizations, including 184 large and medium-sized organizations, carried out contracting activities, performing work on the type of activity "construction" in the amount of 273.9 billion rubles or 100.8% of the 2016 figure incomparable prices.

Table 3: Commissioning of residential buildings in the Krasnodar region, thousand m²

Year	Total building	Of them		The proportion of housing entered,%	
		population due to own and borrowed funds	housing cooperatives	by citizens	HBC
Total trough region					
2010	3605,5	1990,4	35,8	55,2	1,0
2013	3948,7	2205,1	34,9	56,8	0,9
2014	4759,0	2393,8	55,6	50,3	1,2
2015	4644,3	2031,4	84,4	43,7	1,8
2016	4502,0	1812,7	106,0	40,3	2,4
2017	4728,4	1810,0	37,7	38,3	0,8
in cluding:in urban area					
2010	2465,8	902,4	32,8	36,5	1,3
2013	2699,1	1010,3	34,9	37,4	1,3
2014	3440,5	1147,0	55,6	33,3	1,6
2015	3537,4	980,4	84,4	27,7	2,4
2016	3579,1	929,2	106,0	26,0	3,0
2017	3829,0	949,7	37,7	24,8	1,0

According to the Federal State Statistics Service [3], the Krasnodar Territory in 2017 increased the commissioning of residential buildings compared to 2010 by 31.14% and it amounted to 4728.4 thousand m². In the dynamics of the indicator is presented in table 3.

Krasnodar developers have risen significantly in the monthly rating of “Top Developers of the Russian Federation”. If in the capital and in a number of other regions, the volume of housing construction for many companies either grew insignificantly or decreased, then almost all large Krasnodar developers strengthened their positions. Experts believe that this is due to the relatively favorable situation in the regional construction market and the redistribution of forces on it: while less successful companies began to experience financial problems and ruined their reputation as long-term construction companies, leaders began to implement new projects, occupying a vacant niche.

Krasnodar builders have strengthened their position in the rating of “TOP Developers of the Russian Federation”, which is published monthly on the website of the Unified Register of Developers. In November 2018, the best Russian developers were awarded at the St. Petersburg Summit. The Golden Sign of a reliable developer was received by Development-South Corporation, a leading construction company in the city of Perm. In residential construction, this award is considered the most prestigious.

CONCLUSION

Studies show that in modern conditions the construction industry is one of the fastest growing industries. The key to financial well-being of the population is the affordability of housing. But, for this, it is necessary to respect the interests of the subjects of construction production and potential consumers of goods of this industry. The first condition dictates the need to increase the efficiency of construction production, the second - the increase in the income of the population. Also, it should be noted one of the factors for the effective development of this industry is the increase in labor productivity.

To motivate people to develop business in the Krasnodar Territory, it is necessary to take a number of measures:

1. Ensuring a stable investment and economic policy
2. Public Interest
3. Reducing the tax burden
4. Offer more attractive loan programs

As noted earlier, the main feature of the effective growth of the construction industry is also an increase in labor productivity. There are several ways to increase productivity:

1. increase the technical level of construction production;
2. improvement of labor organization and management;
3. socio-economic reasons;
4. lean use of productive resources;
5. staff development.

In this regard, the priority direction is the construction of social facilities. A new town-planning policy is carried out in the region, aimed at the integrated development of territories, taking into account the construction of social facilities, car parks, green areas and land improvement.

The “repurchase” system has proven itself well, when the developer independently builds a social facility in accordance with the requirements of the Ministry of Construction of Russia for a standard project or for cost-effective documentation, and then the completed facility is redeemed by the municipal entity at the expense of budget funds. For the budget, this provides savings, and for the developer - to attract additional buyers for apartments.



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