

05. Distribution of productive forces

The distribution of productive forces involves the spatial arrangement of labor, technology, and capital to maximize economic efficiency and industrial output. It focuses on locating manufacturing and resources close to raw materials, markets, and infrastructure, often balancing regional development with urban agglomeration. Key principles include regional comparative advantage, infrastructure optimization, and the integration of new technological factors.

Key aspects of the distribution of productive forces include:

- ❖ Definition & Components: Productive forces include the instruments of labor (tools, machines), technology, and human skills/knowledge.
- ❖ Spatial Distribution Strategies:
- ❖ Concentration: Industries tend to concentrate in cities to create agglomeration economies, which can lead to 50–70% of a region's output coming from a single city.
- ❖ Equilibrium: Efforts are often made to spread industry to achieve balanced regional development and reduce disparities.

Factors Influencing Distribution:

- ❖ Raw Materials: Proximity to resources is a traditional key factor.
- ❖ Infrastructure & Logistics: Smart logistics and IoT are used to optimize distribution routes and reduce carbon footprints.
- ❖ Labor Force & Talent: The availability of skilled labor and the ability to convert knowledge into production are critical.

Modern Trends:

- ❖ New Quality Productive Forces: This concept emphasizes technological innovation, green development, and high-quality economic growth.
- ❖ Sustainable Development: The focus has shifted towards greener manufacturing, circular economies, and reducing environmental impact.
- ❖ Theoretical Framework: The concept is deeply rooted in Marxism, with a focus on historical materialism, the evolution of tools (from steam engines to digital technologies), and the spatial division of labor.

Public ownership of the basic means of production, knowledge of the economic law of socialism and their practical application in the process of economic development - are indispensable conditions for economic planning and for the strategy of productive forces and population distribution.

This provides the material basis for overall planning practised by the Soviet State in the interest of all Soviet people. A thorough knowledge of economic laws and their creative application make it possible to ensure rapid and balanced development of the national economy and to utilize the country's resources most rationally and effectively for establishing the material and technical basis of future development.

National economic planning, as a form of state guidance of the economy, encompasses all aspects and branches of the production process. It is based on scientific forecasting of economic development which makes it possible to satisfy social requirements as they grow, through maximum development of the productive forces.

The main features of the Soviet Union's planned economy are determined primarily by the basic economic law of socialism, which expresses the essence of the socialist mode of production: continuous expansion, and improvement of production on the basis of advanced technology for the purpose of the maximum satisfaction of the constantly growing requirements of the society.

At the same time, socialist economic planning aims at a balanced development of the national economy and for this there must be centralized planning embracing the whole country. The scale and structure of the Soviet economy, with its numerous interdependent sectors, are such that it can be organised on a nation-wide basis. The balanced development of the economy requires that every industrial establishment provides, at each given stage, the goods and services needed to meet the needs of the national economy and the population.