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## **Key Concepts of Regional Policy: Comparative Analysis of Theoretical Grounds**

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## **Ключевые концепции региональной политики: сравнительный анализ теоретических основ**

The article reveals the basic items of key concepts of regional policy formed by the Ministry of Regional Development in different years: the Concept of the Strategy of Social and Economic Development of RF Regions; the Concept of RF Regional Policy Improvement; the Concept of a Long-term Social and Economic Development of the Russian Federation. The authors carry out the comparative analysis of these concepts. Focusing on fundamental differences between the concepts relying on the policy of regions' equalization and the ones advancing their polarized (focused) development the authors make conclusion that viewed concepts of regional policy in the Russian Federation have much more common features than differences because of relying on the same theory of polarized (cumulative) growth. The article draws parallels between classical theories of cumulative growth and modern concepts used in Russia. The article underlines that in recent years an institutional approach is gaining popularity and it implies that a new regional policy can be realized due to the emergence and increased effectiveness of various development institutes. Summing up the brief analysis of regional theories and key concepts of regional policies, the authors note that all this groundwork in the theory of regional economy preconditions the formation of fundamental conceptual regulations laying grounds for the spatial development of the economy of any region, as well as for the territorial policy of any subject of the Russian Federation. Nevertheless, the authors discriminate between theoretical and practical issues of regional policy in the fields of its formation and implementation. In theory, Russian regional policy is able to declare certain achievements of regional economics, whereas in practice these achievements are doubted by the scientific community.

**Key words:** territory, regional police, regional development, polarized development, regions' equalization, concepts of development, institutional approach.

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It is widely known that core documentation in the sphere of regional policy was first attempted to be formed

В статье раскрываются основные положения ключевых концепций региональной политики, предложенных Министерством регионального развития Российской Федерации в разные годы: Концепции Стратегии социально-экономического развития регионов Российской Федерации, Концепции совершенствования региональной политики в Российской Федерации, Концепции долгосрочного социально-экономического развития Российской Федерации (региональный раздел); а также предлагается сравнительный анализ концепций регионального развития. Авторы статьи, фокусируя свое внимание на принципиальных различиях между теоретическими концепциями, базирующимися на политике выравнивания уровней развития регионов и их поляризованного развития, делают вывод, что рассматриваемые концепции региональной политики в Российской Федерации имеют больше схожих черт, чем различий, поскольку в основе своей опираются на теорию поляризованного развития. Авторами проводятся параллели между классическими теориями регионального роста и современными концепциями. В статье также рассматривается институциональный подход к формированию и реализации региональной политики, объясняющий необходимость создания разнообразных институтов развития для различных целей территориального развития. В результате проведенного анализа теоретических основ ключевых концепций регионального развития авторы статьи делают вывод, что, несмотря на определенные достижения региональной науки в теоретическом плане в области регулирования пространственного развития экономики региона, на практике эффективность региональной политики достаточно сомнительна.

**Ключевые слова:** территория, региональная политика, региональное развитие, концепция развития, поляризованное развитие, выравнивание регионов, институты развития.

in the early 90ies and this work has been performed actively since then. In 1993 the Analytical Center

controlled by the RF President developed „The Strategy of Regional Development of the Russian Federation“, whereas in 1994 „The Assistance Program of At-Risk Regions“ was adopted. In the period of 1993-1995 several regional development programs were put forward, with their initiators being the Ministry of Regional Policy and Nationality Issues, the Ministry of Economic Affairs (economic aspects), the parliamentary group „New Regional Policy“ and even Russian Geographic Society. Two projects related to Russian regional policy were being carried out in the framework of TESIS program (1998 and 2000) with the assistance of foreign experts. However, currently there is no comprehensive and generally accepted policy of regional development and, consequently there are no effective laws in this sphere.

The need for the Strategy of RF Spatial Development was pointed out by the authors of the closing report about the results of an expert work over the topical problems of social and economic strategy of Russia for the period up to the year 2020 [1, p. 327]. The leading scientists, experts in regional issues, conclude that frequent changes in the concepts of Regional Management constituting the base of the regional policy in recent years, can be traced to the search of ready-made solutions borrowed from Western countries. In their opinion, such unreasoned adoptions can result in the eclecticism and uncritical perception of regionally-specific historical, geographical and economic environments. For example, the policy of „equalization“ was replaced by the concept of „regions — driving forces of development“, to be followed by the concept of „priority growth zones“ with the final „cluster“ concept. It is important to mention that every „innovative“ concept having been put forward was declared a panacea not only by the officials but by the experts as well, whereas its developers were claimed messiahs at the least [2, p. 9].

The current situation brings worries to both scientists and practitioners. Alexander Chloponin, the leader of the RF State Council working group having dealt with the overall social and economic regional planning development in the mid-2000, confesses that „current regional policy is not a well-thought product, but an accidental sum of territorial consequences, a by-product of the realization of the other-sector governmental and business-driven strategies and plans“ [3, p. 48]. The similar opinion was expressed by the Minister of Economic Development of the Russian Federation E. S. Nabiullina [4]. In her speech at the session of Public Chamber of the Russian Federation in July 2008, she pointed to the need for the development of „comprehensive regional policy“. It is worth mentioning that the situation has not changed much since then.

The Ministry of Regional Development came up with two documents dealing with the prospects of Spatial Development of Russia. One of them was given the name of „The Concept of the Strategy of Social and Economic Development of RF Regions“ (2003); whereas another one is called „The Concept of RF Regional Policy

Improvement“ (2008). To state the purpose and the key issues of these documents, we need to carry out their detailed examination, which is going to be done further on.

**The Concept of the Strategy of Social and Economic Development of RF Regions.** This Concept advances the following aims of regional policy in the Russian Federation:

- to secure a global competitiveness of Russia and its regions;
- to stimulate the process of new „regionalization“ which is a consolidation of regional resources to boost the economic growth and the change in the structure of the economy;
- to develop the so-called human capital together with the increase of spatial and skill mobility of the population;
- to improve the ecological situation if the regions of the Russian Federation in order to provide for the balanced economic growth;
- to increase the quality of management and the use of public finance in the sub-federal level [5, p. 31-32].

It is important to note that regional policy of the EU countries has always been oriented to the equalization and boosting the economic growth of the regions at risk. However, the draft of this Concept hardly ever contains any orientation to minimize the differences in the levels of social and economic development of the regions.

Dr. S. S. Artobolevsky (PhD in geography) — one of the leading economists, an outstanding expert in the sphere of regional studies, was the one advancing the idea of equalization of regional social and economic development levels. In his opinion, the fact that there is no directive to equalize the inter-regional differences de facto means the absence of regional policy at all [6, p. 23-25].

At the same time, Russian science can boast other approaches to the equalization of inter-regional economic and social differences. Thus, Dr. N. V. Zubarevich (PhD in geography) considers that the fundamental cause of those regional economic differences is the accumulation of economic activity in the places advantageous for businesses. This enables businesses to decrease costs, and consequently, economic equalization does not have any objective base therein. Unlike economic equalization, the social one is possible, but judging by the experience of developed European countries this can happen due to the effective social policy only, whereas the regional policy does not prove any efficiency in this case [7, p. 63].

Unlike regional policy, developed for the Russian Federation in the late 90ies of the 20<sup>th</sup> century by the experts of the European Community [8], the Concept of the Strategy of Social and Economic Development of RF Regions made provisions for the following:

— creating the regions — the so-called „growth driving forces“, key regions generating innovative and investment impact onto the rest of the territory of the country;

— in the part of administrative and territorial division of the county it was recommended to extend the jurisdiction to reveal the system of „key regions“ inside the country, to recognize their extended status different from that of the usual administrative territorial bodies;

— in the part of basic management mechanism it was recommended to direct state capital investments into the growth of cohesion of the key regions and a global economy and the other regions of the country, to eliminate barriers preventing the spread of innovations.

The territories having failed to get the status of the key region are given state support which is directed

primarily to provide an equal access of the people living in this region to the services guaranteed by the RF Constitution.

The table below presents the fundamental differences between the concepts relying on the policy of regions' equalization and the ones advancing their polarized (focused) development [5, c. 26]. According to the table, the authors of the policy oriented to equalize the levels of social and economic development of the regions can be attributed to „radical reformers“, whereas the authors of the Strategy of Social and Economic development of RF Regions to the so- called „adaptors“.

Comparative analysis of regional policy concepts based on different models of their development

State policy	The policy of regions' equalization	Polarized (focused) development of the regions
Basic parameters.	Discriminating between the regions on the basis of their averaged (balanced) social and economic potential.	Creating the regions — the so-called „growth driving forces“, key regions generating innovative and investment impact onto the rest of the territory of the country;
Administrative and territorial division.	Discriminating between the territories on the basis of the existing administrative and territorial structure being preserved, singling out geographically connected territories.	Extending the jurisdiction to reveal the system of „key regions“ inside the country, to recognize their extended status different from that of the usual administrative territorial bodies
Basic mechanism of management.	Equal (diffusion-like) sharing of state capital investment and support between the territories at risk.	Directing the state capital investments into the growth of cohesion of the key regions and a global economy and the other regions of the country eliminating barriers preventing the spread of innovations.

The scientific Society and the representatives of RF regions strongly disapproved of the Concept of the Strategy of social and economic development of RF Regions due to the fact that it is primarily purposed to reach the goals of economic development of the country and its regions denouncing the goals to equalize the levels of social and economic development of the subjects (larger constituent territories) of the Russian Federation. It is proven by the results of the survey having been carried out with participation of regional experts in August-September 2005 by the Fund of Information Policy Development and the information agency „Rosbalt“ [9, p. 21-24; 10, p. 7-9]. Consequently, the Concept of the Strategy of social and economic development of RF Regions was not adopted officially, with all the counterargument having been taken into account.

**The Concept of RF Regional Policy Improvement.**

In 2008 the Ministry of RF Regional Development came up with the draft of the Concept of RF Regional Policy Improvement. According to this concept the goal to provide for the balanced social and economic development of the subjects (larger constituent territories) of the Russian Federation is claimed to be the principal one. On the

one hand, it assumes gradual elimination of differences in the levels of social and economic development of RF subjects. On the other hand, it aims to provide for the balance between the growth of the economic potential of the RF subjects and comfortable environment for RF population facilitating equal opportunities for the citizens of the Russian Federation to exercise their social and economic rights and satisfy their needs irrespective the place of residence [11].

To reach these goals the draft of the Concept suggests three basic directions to improve and perfect regional policy. First, it is offered to improve the system of strategic planning of social and economic development of the regions. Second, it is vital to improve taxation and budgetary instruments of regional policy, and finally, to better coordinate and perfect the relations of federal and local government.

Comparative analysis of regional development concepts reveals certain differences between them simultaneously demonstrating some similar features though. As a matter of fact, it is determined by the fact that the Strategy of social and economic development of RF Regions and the Concept of RF Regional Policy

Improvement rely on the same theory of polarized (cumulative) growth.

One of the latest developments in the sphere of spatial policy was reflected in the closing report about the results of an expert work over the topical problems of social and economic strategy of Russia for the period up to the year 2020. According to experts, the analysis of fundamental principles which should constitute the base of the Strategy of RF Spatial Development reveals the main goal of the government to support and improve urban territories with high population density.

As for the outlying territories, the experts consider that here we should rely on the policy of „controlled compaction“, involving „the stimulation of social mobility, optimization of budget services together with the development of local centers proving such basic services (including the services attributed to social mobility) and gradual adaptation of social security system“ [1, p. 327].

The theory of cumulative growth exerted a powerful impact onto the ideology of the regional part of the draft of the Concept dealing with a long-term social and economic development of the Russian Federation, drawn in August 2008 by the RF Ministry of Economic Affairs.

In particular, one of the strategies of regional policy foreseen by the Concept of a Long-term Social and Economic Development of the Russian Federation is the development of technological, scientific and educational potentials of cities and towns, and it relies on the theory of growth poles developed by the French scholar J. Boudeville. Another strategy of regional policy which involves creating the network of territorial and production clusters [12, p. 93-106] with vast facilities for high-level production and raw material processing relies on scientific advances of J. R. Lasuen. Finally, the strategy of regional policy foreseen by the Concept of a long-term social and economic development of the Russian Federation, the one involving the development of large transport -logistics and production junctions relies on the theory of the P. Pottier about the „axes of development“.

In recent years an **institutional approach** is gaining popularity and it implies that „a new regional policy can be realized due to the emergence and increased

effectiveness of various development institutes. Thereby, those institutions should be various and should focus on different goals of territorial development, namely:

— the institutions which secure and carry out direct actions of the state to realize basic provisions of regional policy including the actions directed to the territories at risk (the fund of housing and communal services, the fund of financial support of the RF subjects, the fund of regional finance reforms, the fund of regional development etc.)

— the institutions purposed to stimulate innovative growth and development of the territories (special economic zones and the like);

— the institutions purposed to change the technologies of regional management;

— the institutions purposed to revitalize businesses and to strengthen horizontal ties, including cluster forms of business development“ [13, p. 40].

Summing up our brief analysis of regional theories and key concepts of regional policies described above, it is important to note that all this groundwork in the theory of regional economy preconditions the formation of fundamental conceptual regulations laying grounds for the spatial development of the economy of any region, as well as for the territorial policy of any subject of the Russian Federation.

Nevertheless, in our opinion, we should discriminate between theoretical and practical issues of regional policy in the fields of its formation and implementation.

In theory, we are able to declare certain achievements of regional economics, whereas in practice these achievements are doubted by the scientific community. In relation to this N. V. Zubarevitch writes the following: „The actions undertaken by the state in the field of spatial development with the help of traditional instruments applied in the sphere of regional policy have proved to be ineffective. The programs were not implemented into practice, the economic zones failed to succeed together with the bids to create artificial agglomerations. Cluster policy has very little to boast of as well being compared to Soviet production complexes, whereas both the former and the latter were expected to fail“ [14, p. 63].

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