

ECONOMIC GROWTH IN RUSSIA REGIONS: KEY FACTORS

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Abstract:

Research objective is revealing and the analysis of key factors of Siberia economy development in a context of their historical formation. It allows to estimate prospects and possibilities of the Siberian regions from the point of view of the balanced and long-term economic growth. As empirical base data of Omsk area were used. Research construction was based on use of methods of theoretical research, and also historical and economic -statistical methods. There are conclusions that regulated factors were key sources of economic growth of Siberia always (system measures of the state in sphere of the migratory policy, supported with real financial possibilities), showing the high productivity against a number of casual factors (favorable resursno-climatic conditions, a successful geopolitical site, a safe world conjuncture). In research practical recommendations are offered for giving region economic system of additional possibilities of economic growth.

Key words: economic growth, regional economy, state policy

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INTRODUCTION

Economic growth is observed in Russia throughout some years that is naturally reflected in the basic indicators of regional development. Siberian regions are not an exception in this respect where it is possible to observe positive tendencies in the most various sectors of economy. Meanwhile, in scientific, business and political circles today all speak about fastening of a resource component in regional economic growth. Thereupon possibilities of diversification in Siberia economy are called in question in conditions of displacement of responsibility spheres on regional management level. This question gets a special urgency in the conditions of global economic instability.

With a position of importance of the declared subjects, basic, in our opinion, there is a question about sources of economy growth of the Siberian regions. What stands up for rather safe indicators of economic development of Siberia regions? At the cost of what factors there is a growth of regional economy? What is the nature of their origin and how much steady is a similar sort of growth? What puts region in the given process? This research is devoted to answers to these pressing questions.

The research purpose is the revealing and the analysis of key factors of Siberia economy development in a context of their historical formation, allowing to estimate prospects and possibilities of the Siberian regions from the point of view of the balanced and long-term economic growth. For object in view realisation all factors of region economic growth were considered, depending on the nature of their origin, as:

- a) regulated - defined by productive possibilities of national level of management;
- b) local - defined by influence of a regional component (the local enterprises, the power, etc.);
- c) casual - not dependent on will and desire, both region, and the state as a whole.

Statistical and historical data of one subject of the Siberian federal district (Omsk area) were used as empirical base. Research construction was based on use of theoretical methods (the analysis

and synthesis, an estimation of the facts within the limits of the system approach, reconstruction and a prediction), and also historical and economic -statistical methods.

FACTORS OF REGIONAL ECONOMY GROWTH: HISTORY OF QUESTION.

First of all we will notice, that the state policy had strongly pronounced character concerning the Siberian regions during the pre-revolutionary period and in the solving image influenced formation and the further development in them economic activities. Since 1590 from giving of Moscow there was a mass resettlement to Western Siberia at first Cossacks and military officials, and then, peasantry. Making a basis of the future Siberian cities military strengthenings and fortresses together with a resettlement policy of the Russian state gave powerful spur to economic development of region.

At that time, the region economy could show any essential rates of development exclusively at the expense of external factors as "internal sources of development" did not function at all. Considerable territorial remoteness from Moscow, weak development of a transport infrastructure, dispassionateness from national trading streams, even more overdue, in comparison with the European Russia, formation of market relations in agriculture, - all these factors promoted formation of backward, closed (practically natural) system of the managing which development was mainly extensive. In statistical collections "Reviews of the Tobolsk province" the same figure on Omsk cities repeated from year to year.

The matter is that the Siberian cities which, logically, should be sources of generation of internal impulses of regional development, in practice did not carry out this function. And for two hundred years the situation practically did not vary. So, according to one-day population census on April, 1st, 1877 the lowest military ranks, members of their families, Cossacks and noblemen made an overwhelming part of townsmen of Omsk. Thus natives of Omsk in a population lump made only 37,3 %. Thus, the structure of the population of Omsk quite definitely reflected the basic functional purpose of a city - to be the centre of military and civil authorities in Western Siberia. Clearly, that at such model of mutual relations "the centre - the region" unique is a way of extensive development of the regional economy which growth could go exclusively at the expense of the centralised resources.

In particular, building of the Great Siberian railway became the outstanding fact in history of Omsk which has made huge impact on economy as the major infrastructural component of effective regional development. In total for 20 years after movement opening by rail the population of Omsk has increased more than three times and by 1917 Omsk became the largest city of Siberia. At this time the area worries powerful inflow of new capitals, branches of the largest foreign banks actively open in Omsk, in 1904 the commodity exchange has been opened. Manufacture and sale of the Siberian butter were so profitable branches, that minister Stolypin wrote to the tsar: "The Siberian manufacture of butter gives gold twice more than all Siberian gold industry".

Right after clearings of White Guards Siberia began to develop under laws which were characteristic for any territory which was a part of Soviet Union: the regional economy was considered as an integral part of a national economy taking into account uniform spatial strategy. And though for development of natural riches of Siberia and creation of large economic potential in the east of the country the big initial investments were required, from positions of long-term prospect it looked quite justified. As a whole at the expense of the state support in 1940 manufacture of a total industrial output in region has increased in comparison with 1913 in 30 times. With the Great Patriotic War beginning the policy of the state was transformed aside increase in military-industrial potential of Siberia, basically, at the expense of carrying over of manufactures from the western and central part of the Russia. The general release of an industrial output of Siberia in 1942 in comparison with 1940 has increased in 2,4 times, including mechanical engineering and metal working manufacture - in 7,9 times.

After the end of war the state policy is again directed on prompt replenishment of region by immigrants: labour power employed from 1946 to 1950 has increased almost by 30 %. Next decade

is noted by government programs of development of virgin lands: as a result of migratory motions the general number of the working population in Omsk area has grown in 1,6 times. For the following of 10 years number of working population in region has increased again in 1,5 times. As well as in days of imperial Russia, prompt development of economy of Siberia again goes thanks to a state policy of active financial investments and assistance mass resettlement.

Thus, effectiveness of a state policy concerning Siberia is available. Rates of production growth of Omsk industry practically throughout all its history were considerably above similar Russian indicators. In 1980 production of the Russian industry surpassed level of 1940 in 18,5 times, while in Omsk area - in 65,1 times. However, playing the role in an all-union division of labour, the region was at all in a status to solve questions on rates and proportions of economy development, being a part of the big organic system. From this there was variety of problems (ecological, social, an industrial infrastructure) to solve which the region independently not could. Despite rough rates of regional economy growth and higher "return" (in 1980th output counting on area unit in Omsk region was above all-union on 60 %; employment degree in a national economy - 50,2 % - also exceeded average on the country - 46,5 %), the area population had rather lower, than on the country as a whole, both a standard of living, and social protection level. So, in 1986 budgetary expenses on public health services in Omsk area (counting on one inhabitant) were in 2,17 times less, than in the country as a whole.

From all above-stated the logic conclusion follows that to prompt growth of absolute indicators throughout the previous period of the history the economy of Siberia regions has been obliged to regulated factors (the powerful centralised injections in the tideway of a purposeful state policy) and to casual factors (a geopolitical site, nature and climatic resources). The local group of factors did not exist as a kind: being an integral part of planned economic system, the region was unable influence independently rates and directions of the economic development.

MODERN SOURCES OF REGIONAL ECONOMIC GROWTH.

How has changed the basic system factor of regional development - a state policy concerning Siberia - after disorder of command model of managing? At the first stage in relation to Siberia, no less than to all other regions, there was a popular belief, that the regional policy is not necessary to market Russia, as the special institutes which are responsible for working out and realisation of this policy are not necessary at the state level. As a whole, development (is more exact, stagnation) of regional economy in 1990th went in the conditions of sharp decrease in influence of regulated factors.

With coming to power of the new president and relative stabilisation of macroeconomic position in the country the present stage of a state policy concerning Siberia begins which appears again in the list of priority macroregions. Whether the state policy can today as the factor of regional economy growth to lead to the irreversible system changes promoting effective development of the Siberian regions?

For the answer to this question it is reversible to such tool of a state policy as the macroregional program "Siberia" which has been urged to define strategy of development of Siberia and to play a co-ordinating role under the relation to all programs already realised in this macroregion. However in 2002 the program has been excluded from the perspective list of the federal target programs financed from the federal budget. Logically to it there is an explanation: Siberia lags behind on rates of development Russia as a whole and the attention of the federal centre to Siberia, naturally weakens. Nevertheless, the resource potential of Siberia is important for Russia: the taken reconnoitered stocks of oil make 77 % of the Russian stocks, natural gas - 85 %, coal - 80 %. Interest, first of all, in fuel and energy resources of Siberia is traced in Strategy of economic development of Siberia, the basic emphasis in which is made on increase of efficiency of extracting branches, geological prospecting, improvement of a transport infrastructure, etc.

Perhaps, ability of regional economy to new quality of economic development in the conditions of decrease in the state investment and migratory possibilities has essentially changed?

To answer this question, on an example of Omsk area we will analyse the basic components of economic growth of regional economy in modern conditions.

First of all we will notice, that possibilities of intensive development of region economy operating before at the expense of new "manpower resources" are exhausted to the full. For time which has passed between population censuses in 1989 and 2002, number of inhabitants of Omsk area was reduced to 62,7 thousand persons (about 3 % from an aggregate number of the region population). Besides, urbanization process has practically stopped also: from 1989 to 2007 the urban population share has increased only on 1,1 %. On the other hand, processes of geographical localisation of regional development sources proceed. In the city of Omsk which is the regional centre, today lives 79 % of urban population of area (Omsk surpasses in a population the city of Isilkul following it in 43,8 times). As a result of a total regional product of Omsk area almost on 80 % is formed in economy of Omsk; in the regional centre it is issued more than 90 % of industrial production of region. As a matter of fact, economic growth of economy of the whole region is connected today with the enterprises of only one city. Further we will carry out the analysis of three key sectors of the regional industry, which defining the industrial face of region throughout all period of reforms and most indicative concerning sources of the development.

The petrochemistry and oil refining enterprises make today basis of industrial growth of Omsk area (Open Society "Gaspromneft - Omsk NPS", Open Society "Omsk rubber", Open Society "Omskshina", Open Society "Tehuglerod"). To an economic crisis beginning the petrochemical complex not only left on the Soviet facility, but it also has surpassed maximum those years manufacture volumes: in 2005 the total volume of the goods and services by the enterprises of Omsk petrochemistry has made 126 billion roubles (practically half of total regional product). So essential value of the enterprises of an oil refining and petrochemical complex in growing economy of region is caused by high price competitiveness of export raw manufactures in the conditions of a favorable external economic conjuncture, and also investment possibilities of the large holding capital (all enterprises are connected with the largest Russian corporations).

The food-processing industry of Omsk area is the most indicative example of vigorous development of the branch focused not on a world conjuncture, and, first of all, on home market. However and in this case it is available similar processes of concentration and integration. Today only 32 organisations of the food-processing industry are the cores for region, the most part from which is built in the closed production cycles within the limits of the vertically-integrated Russian and foreign holdings. Today branch in Omsk the international holding company "Sun-inbev" (former brewery "Rosar") and dairy factory belonging to the international holding Wimm Bill Dann "Manros - M" had an opportunity to concentrate additional resources with a view of the vigorous development by means of this tool. The Group of the enterprises belonging to oil company "Sibneft" "Omsk bacon" stably increases volumes of manufacture of meat production, providing with them not only Omsk area, but also other regions. Perhaps, a unique exception of all largest enterprises of the food-processing industry of region is the vodka distillery "Omskvinprom" which has independently outgrown the regional market and by means of the competent marketing policy has managed to enter into ten leaders of Russia alcoholic production and to become the most dynamically developing Russian company in the alcoholic market.

The opposite situation has developed in a machine-building complex of Omsk area. In the beginning of economic reforms the branch was pride of regional economy (in the early nineties in Omsk mechanical engineering it has been concentrated more than half of industrial personnel of the industry of area and about third of its fixed capital), it possessed high scientific and technical possibilities (here the most qualified structure of workers and experts has been concentrated, 80 % of the equipment with numerical programmed control). Today the branch has stably negative dynamics of growth owing to the accessory to a military-industrial complex of the country. Not having managed to reconstruct the manufacture on release of the civil production, the enterprises of Omsk mechanical engineering being in federal submission have today real chance to leave the long period of stagnation only by occurrence in actively created integrated state holdings applying for state financing.

Thus, because of insignificant relative density of small and average business of Omsk area in release of the goods and services (about 8 % of a regional total product) the regional economy develops, basically, at the expense of large business which is closely integrated into system of the Russian and international holding capital that reduces controllability degree of these processes at regional level. Value of regulated factors of economic development for the investigated period, practically, was levelled. Still, the role of casual factors (a world conjuncture) is essential. The importance of local factors has increased, but nevertheless is insufficient for the purposes of steady economic development of region in intermediate term prospect.

THE CONCLUSION.

Regulated factors (system measures of the state in sphere of the migratory policy, supported with real financial possibilities), showing the high productivity against a number of casual factors (favorable resource and climatic conditions, a successful geopolitical site, a good world conjuncture) were key sources of economic growth of Siberia always. Actually, the macroregion status of the national value, which was capable to give real efficiency in scales of all country, allowed the Siberian regions to be in avant-guard of economic development. Unfortunately, possibilities of regional economy independently to generate the positive internal impulses promoting formation of the new centres of economic growth (local factors), in force of “genetic memory” systems still possess low productivity. Therefore in the conditions of open market economy loss of the prepotent territory status conducts to the unique variant - to the inertial scenario of structure of regional development at which rates of economic growth, mainly, directly are co-ordinated to variety of casual factors (the good weather, a favorable conjuncture, etc.). From here it is possible to draw the basic conclusion: on this basis it is impossible to provide long-term growth of regional economy.

Thus, results of the carried out research allow us to offer following practical recommendations for giving to region economic system additional possibilities of steady economic growth in intermediate term prospect:

1) It will not be possible to achieve desirable structural shifts in economy of the Siberian regions without the minimum state investments. But at the heart of the state concept of regional development should lay not migratory projects and “scheme s of placing of manufacture”, but assistance to the business really working in the important regions, mainly, through improvement of institutes and development of an infrastructure.

2) The state role should be more important in support of useful structural shifts of regional economy. Today there is a set of the centres, perspective from the point of view of the competitiveness. Therefore federal and regional levels of the power should organise in common monitoring of "competitive activity" in region and to search for support forms of the arising and growing companies, especially small and innovative. They are engaged in what kind of activity thus absolutely not very well.

3) The state is obliged to assist really to competition strengthening in the regional market to make active the existing companies on competitiveness and upgrade increase. At the same time it is necessary to assist in every possible way to cooperation of the regional enterprises with the best Russian and world corporations for the purpose of embedding in chains of addition of cost, cooperation with bearers of high technologies, to penetration through it on the markets of more and more complex finished articles, to a finding of own niches for creation and distribution of innovative production.

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