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The papers study the following problems: sustainable development of local production systems, business strategies of LPS, innovativeness of clusters, critical infrastructure protection, corporate social responsibility, environmental protection, local production system management, governance of local production systems in Bulgaria, Poland, Ukraine and Russia, policy guidelines with some measures of general application, aimed at problems observed in all LPS, and some specific measures differentiated according to a typology of local production systems.

KEY CONCEPTS OF REGIONAL POLICY: CHARACTERISTIC FEATURES OF ITS REALISATION IN AGRO-INDUSTRIAL REGIONS

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The article reveals the basic items of key concepts of regional policy formed by the Ministry of Regional Development in different years. The article involves the comparative analysis of concepts. In the article parallels between classical theories of cumulative growth and modern concepts used in Russia are drawn. In the article overall view of regulation directions of the development of regions specialized on agricultural and industrial complexes are shown.

It is widely known that core documentation in the sphere of regional policy was first attempted to be formed in the early 90ies and this work has been actively performed 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 TASIS program (1998 and 2000) with the assistance of foreign experts. However, at the present day 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].

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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 20th century by the experts of the European Community [8], the Concept of the Strategy of Social and Economic Development of the 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.

Table 1 presents fundamental differences between the concepts relying on the policy of regions equalization and the ones advancing their polarized (focused) development [5, p. 26].

Table 1

<table>
<thead>
<tr>
<th>State policy</th>
<th>The policy of regions’ equalization</th>
<th>Polarized (focused) development of the regions</th>
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<tbody>
<tr>
<td>Basic parameters</td>
<td>Discriminating between the regions on the basis of their averaged (balanced) social and economic potential.</td>
<td>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.</td>
</tr>
<tr>
<td>Administrative and territorial division</td>
<td>Discriminating between the territories on the basis of the existing administrative and territorial structure being preserved, singling out geographically connected territories.</td>
<td>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.</td>
</tr>
<tr>
<td>Basic mechanism of management</td>
<td>Equal (diffusion-like) sharing of state capital investment and support between the territories at risk.</td>
<td>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.</td>
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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”.

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].

There is no doubt that active globalization processes lead to the intensification of regional differentiation. All Russian regions which form national economy distinguish from each other because of the fact that natural resources in sufficient quantities are not available for all of them. As a result, the level of social and economic development of Russian regions varies very much. The Russian government’s primary objective is to provide for the balance between the growth of the economic potential of the Russian regions and comfortable environment for 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 location.

Russian scientists try to divide the subjects of the Russian Federation into different groups depending on their efficiency. The first group (that is not as big as might have been) includes the so called efficient regions and the second one includes regions lagging in development or in other words depressed or under-developed regions. When we say “efficient regions” we mean regions that are simultaneously efficient by three criteria: production, finance and social environment. [15, p. 30]. It is obvious that regions with numerous social and economic problems need support. People ought to be happy and have social security in any geographical place of Russia. The world experience demonstrates that governments tend to give selective support of those territories that are lagging in development aiming at the regions’ equalization.
But the absolute equality of regions is a myth and is true not only for Russia but for other countries as well. The founder of the theory of polarized (cumulative) growth Swedish scientist G. Myrdal asserted that advantages of several regions determined acceleration of their development whereas the lagging of underdeveloped regions is being increased thereby. The effects of market forces cause the concentration of fast-developing and efficient industries at certain territories. This process is gradually gaining cumulative character since the more investments come to the region the stronger agglomeration effects are [16, p. 34]. The so called “principle of circular causality” arises when any advantage causes the range of consequences leading to progressive concentration and on the contrary, “drawbacks” of regions are also gradually multiplied [15, p. 29].

The relevancy of this theory is confirmed by modern regional empirical studies. For example A. Vlasyuk and O. Demina have collected and analyzed formal statistical information about the eighty RF subjects for 2000, 2007 and 2009 years. The analysis confirms the hypothesis that financial resources are moving to regions with the highest utmost productivity of production factors. As a result it leads to the accumulation of investment sources in such regions providing financial and social efficiency [15].

Due to the fact that a primary goal of any investment projects is profit-making, but not charity investments “rush” to territories with high concentration of advantages. Therefore, we are sure that government through its regional policy can help the lagging regions to reach the high level of efficient regions. Of course there is a variety of means that are able to revitalize the weak regions but the participation of government is essential.

According to A.N. Shvetsov government regional policy can be divided into two parts: system-wide policy and selective policy. The goal of a system-wide policy is the basis of prerequisites of regional development. The means it relies on are not selective and should affect all Russian regions evenly forming economical, organizational and legal environment for self-sufficient regions.

As for a selective policy, A. Shvetsov says that “it is direct and purposeful government influence on certain territories considered as problematic regions” [17, p. 43]. Nevertheless, some economists, for example, S. Leonov and O. Sidorenko, insist on supporting not only regions with problems but strong regions with high economic and investment potential as well. It means that even self-efficient regions can become objects of selective policy and government attention.

Accordingly, some specialists understand selective regional policy as deliberate actions of the state governing organs towards certain territories targeted at effective distribution of economic activity across the country [18, p. 69]. It refers not only to the equalization policy aiming to achieve the balance between levels of economic development of depressed regions and city agglomerations, but also to the polarized support of regions called “growth poles”. The support of regions with the highest economic and investment potential is purposed to stimulate their growth, and is claimed as the principal goal of the polarized regional policy. As a result, such regions like “driving forces” are pulling up the level of social and economic development of the national economy.

The theory of polarized (cumulative) development was first formulated by French economist named F. Perru. The basis of it is the view that the sectoral structure of the economy plays a leading role with “propulsive” sectors producing new goods and services being the most important in the region economic development. The main concept of this theory is a conclusion that the growth occurs at “growth points” which become new poles attracting production factors. Then, this growth distributes itself through various channels inducing a variety of consequences.

Developing the theory of growth poles the French scholar J. Boudeville showed that not only the total of leading enterprises can be viewed as growth poles but the same can be referred to certain territories (settlements) as well, on condition that such territories
function as the source of innovation and progress for national or regional economy. A regional growth pole represents a set of developing and expanding industries located in the urban area. These growing sectors are able to cause further development of economic activity throughout their zone of influence. Therefore a growth pole can be understood as a geographical agglomeration of economic activity or as a total of cities having a complex of developing industries. From the scientific point of view the rating of growth poles offered by J. Boudeville is rather interesting. Briefly we should spot four groups of growth poles. The first group includes small and medium-sized traditional cities specializing on the tertiary sector serving the surrounding countryside. The second group embraces industrial medium-sized cities with diversified economic structure depending on external investments. The third one involves large urban agglomerations with developed economic structure including “propulsive” sectors that being a reason for the autonomous growth of such territories. Finally, the highest level, which is the fourth group, includes integration poles covering several urban systems and defining all evolution of spatial structures. It should be noted that autonomous growth is a distinctive feature of the highest levels (3 and 4), whereas the growth of the lowest levels is determined by the innovation diffusion mechanism [19, p. 142].

Historically, due to objective reasons, the regions that rely on agricultural and industrial specializations have always been referred to as under-developed regions. The theory of polarized (cumulative) development asserts that it is typical for the economy of such regions to have relatively weaker grounds for intensive growth. In the economy of agricultural regions large cities (growth poles) play a considerably less important role than in the economy of industrial regions. According to the hierarchy formed by J. Boudeville small and medium-sized cities with agricultural specialization have almost no opportunities for the autonomous growth. The problem is really great since such cities are numerous in number.

Nearly all scientists campaigning for the theory of polarized development expressed the opinion that growth poles depend on the export sector of the economy. The specific features of regions specializing on agricultural and industrial sectors are connected with the saturation of domestic market that kind of “deprives” them of certain development opportunities.

Regions with agricultural and industrial specializations are able to spread innovations widely when they are in the stage of mass distribution. Recently semiperipheral areas, trying to develop agricultural and industrial sectors of economy, have transformed into new regions of diffuse industrialization. It should be underlined that such transformation is possible providing that areas preserve the environment, infrastructure and a dense network of medium-sized settlements. Nevertheless such regions, as a rule, do not possess their own significant innovative potential. The share of modern and high-tech industries in the sectoral structure of production in the regions with agricultural and industrial specializations is relatively small. At the same time industries related to primary processing of agricultural raw materials have considerably large share.

From our point of view in modern Russia the industries of agricultural and industrial complexes can be considered as “propulsive” industries for the certain regions. Accordingly the innovation diffusion would reach the highest efficiency if it takes the form of agricultural and industrial integration. Furthermore the diffusion innovation should go not only from a growth pole (the largest city) to other large cities but from cities to the surrounding countryside as well.

The theory of polarized development assumes several directions of regional development regulation. To our mind it would be more useful and practical if the regulation directions are distributed and applied to different types of territories (Table 2).
### Overall view of regulation directions of the development of regions specialized on agricultural and industrial complexes

<table>
<thead>
<tr>
<th>The Type of Area</th>
<th>Specification</th>
<th>Regulation Directions</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Growth poles”</td>
<td>Large cities with diversified economy involving “propulsive industries”</td>
<td>The stimulation of growth points that are able to render a certain impact on adjacent areas.</td>
</tr>
<tr>
<td>“Territories that can be affected by the innovation diffusion”</td>
<td>Small and medium-sized agricultural cities and suburban areas</td>
<td>The promotion of the innovation diffusion mechanism. It is obligatorily to provide special management mechanism facilitating the development of such territories. The development of growth points.</td>
</tr>
<tr>
<td>The most under-developed areas without any opportunities of perspective growth</td>
<td>Distant areas primarily with agricultural specialization</td>
<td>Federal and local government must maintain suitable conditions not only for production but for social life as well</td>
</tr>
</tbody>
</table>

To ensure the territorial equity it is necessary to motivate and support the economic development of the under-developed areas. Such regions should be the main objects of selective regional policy targeted at regions’ equalization. In this case the policy has a stimulating character. The changing environment will help such territories to get external impulses for development and improve their social and economic situation.

We consider that the support of under-developed areas including regions with agricultural and industrial specializations should be distinguished from other measures of state regulation of spatial development. First of all such support should be direct and focus on the solving the exact problems in the exact areas. For example, regions’ equalization of economic development is possible by direct financial investments in order to assist depressed regions. We are sure that the implementation of state programs aimed at infrastructure development and the promotion of private investments to under-developed areas by providing tax benefits would be able to evolve economy of lagging regions. Indirect measures of regional policy are also widely used in practice of territorial regulation. There is no doubt that the adequate combination of direct and indirect methods would improve the investment climate of the certain areas and their investment attractiveness and as a result could significantly raise living standards in the future.

Summarizing all above it should be noted that the international experience of regional regulation shows that there are two sides of one coin. These are system-wide regional policy and selective regional policy. Their reasonable combination facilitates the efficient allocation of budgetary resources and not only accelerates the development of already successful regions, but also encourages the development of under-development areas.
REFERENCES