The Specialization of the Russian Economy: Regional Aspect

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Abstract. Modern trends of production of gross regional product in Russia are analyzed in this paper. Regional and industrial structure of GRP is investigated. The conditional classifications, interregional differentiation of constituent members of the Russian Federation are indicated by means of efficiency factors and the dynamics of real production of gross value added. The scientific novelty of this research is concluded in the analysis algorithm offered by authors and the choice of indicators for the scales’ characteristic and intensity of economic processes at the level of regions in modern conditions. The scientific problem solved in a research consists not only in the review of a modern situation, but also allows to reveal features of efficiency and real production dynamics of gross value added in members of the country for the purpose of perspective directions’ identification of the balanced development of the national economy. The theoretical and practical significance of the research consists in a possibility of usage of the result for the verification of perspective directions of national economy development and in the main methods and instruments justification for the formation of industrial state policy.

1. Introduction
The national economy of Russia is traditionally characterized by structural disproportions and imbalance in the level and development rates of productive power in regions. Regional differentiation of economic development reduces the efficiency of industrial state policy and does not contribute to integrity strengthening of economic system in the country.

The key reference point in the realization of purposeful and adequate economic policy, both on the national, and on regional levels, is the gross regional product (GRP) reflecting the level of economic development and welfare of constituent members.

The statistical analysis of spatial dynamics of volumes and structure of GRP reveals the interregional disproportions of directions and intensity of social and economic processes occurring on the concrete territory.

2. Significance and scientific novelty
Volumes and growth rates of gross regional product are target indicators when developing strategy, programs, forecasts and formation of social and economic policy of the federal state and its certain constituent members. In this regard the analysis algorithm development and the choice of indicators for scales and intensity of economic processes characteristic at the level of regions in modern conditions are represented as extremely relevant.

Theoretical and methodological aspects and methodical opportunities of GRP indicator’s application for the assessment of economic space differentiation, levels’ comparison of regional
development and also the direct analysis of certain regions’ GRP are represented in researches of O. Bogachyova, A. Granberg, G. Guttman, Yu. Zaytseva, O. Krasilnikov, I. Masakova, N. Mikheyeva etc.

The scientific novelty of this research is concluded in the analysis algorithm offered by authors and the choice of indicators for the characteristic of scales and intensity of economic processes at the level of regions in modern conditions. The scientific problem solved in a research consists not only in the review of a modern situation, but also allows to reveal features of efficiency and dynamics of real production of gross value added in members of the country for the identification purpose of the perspective directions of the balanced development of the national economy.

The theoretical and practical importance of this research consists in a possibility of these results’ adaptation for the feasibility of perspective directions of national economy development and for the feasibility of main methods and formation instruments of industrial policy of the state.

Materials and methods. The main source of information was The Central Base of Statistical Data (CBSD) of Federal State Statistics Service. Gross regional product per capita and purchasing power of monetary income of the population were considered as the indicators characterizing the level of economic development of the region and the extent of interregional differentiation.

3. Purposes and research problems
The research objective is consisted in the development of theoretical and methodical concepts for studying of spatial specialization of the national economy and the definition of the state regulation directions for ensuring the balanced development of the national economy.

The tasks solved in the research:
- to specify the conceptual and categorical mechanism in the field of research of spatial economy development;
- to prove the indicators’ complex describing the dynamics and structure of regional economy development, allowing estimating the modern situation and efficiency;
- to suggest the regulation algorithm of the balanced development of national economy affecting the factors determining scales and intensity of economic development of regions in modern conditions.

4. Analysis of theoretical approaches
The Gross Regional Product (GRP) is meant to be the summarizing indicator of economic activity in the region reflecting its effectiveness and characterizing newly-made price of goods and services in the territory of this region [4]. The calculation of GRP allows not only to estimate the certain constituent member development, but also to carry out the comparison of the development level of various regions among themselves and between the countries.

The nature of GRP reveals in the reflection of final results of enterprises and organizations’ activity in terms of money in a certain territory.

It should be noted that in spite of the fact that GRP according to the economic contents is close to a macroeconomic indicator – the gross domestic product (GDP), however is not identical to it. First, these indicators differ in size of activity results’ coverage. So, in a gross regional product the goods and services produced in the certain territory coinciding with borders of the territorial entity of the Russian Federation are considered. Secondly, GDP is always higher, than GRP as the last does not consider the value added relating to the country in general – non-market collective services (defense, public administration, etc.), activity of financial and foreign trade intermediaries, taxes on export and import and so forth [16].

In general, the gross regional product is the indicator measuring gross value added and estimated by means of an exception of total gross output of volumes of its intermediate consumption. GRP can be estimated as the production method due to value added combination, method on the basis of formation sources’ combination (a distributive method) and the application method.

Thus, the gross regional product is represented as the most important indicator of social and economic development of the region allowing making interregional and cross-country comparisons.
So, for example, cross-country comparisons on a gross regional product per capita present that GRP of the Nenets Autonomous Okrug corresponds to GDP of Singapore which is at the third place in the national rating. GRP of the Yamalo-Nenets Autonomous Okrug is close to GDP of Switzerland, Khanty-Mansi Autonomous Okrug – Slovakia (table 1).

Table 1. Sample information of rating of constituent members of the federation and countries on average per capita indicators of GRP and GDP in 2016.

| The position in the rating | Territorial entity of the federation | GRP per capita the Country of  | Country | GDP per capita, dollars | The position in the universal rating |
|---------------------------|-------------------------------------|--------------------------------|---------|------------------------|-------------------------------------|
| 1                         | Nenets Autonomous Okrug             | 5 821,60                       | 95986,81 | Singapore              | 87832                               | 3                                   |
| 2                         | Yamalo-Nenets Autonomous Area       | 3 670,30                       | 60516,08 | Switzerland            | 60374                               | 9                                   |
| 3                         | Khanty-Mansi Autonomous Okrug       | 1 852,30                       | 30540,81 | Slovakia               | 31331                               | 38                                  |
| 4                         | Sakhalin region                     | 1 575,60                       | 25978,57 | Saint Kitts and Nevis | 26001                               | 49                                  |
| 5                         | Chukotka Autonomous Okrug           | 1 323,20                       | 21816,98 | Uruguay                | 21395                               | 59                                  |
| ...                       |                                     |                                 |         |                        |                                     |                                     |
| 81                        | Karachay-Cherkess Republic          | 156,6                          | 2582,028 | Senegal                | 2541                                | 158                                 |
| 82                        | Kabardino-Balkar Republic           | 153,7                          | 2534,213 | Senegal                | 2541                                | 158                                 |
| 83                        | Sevastopol                          | 151,9                          | 2504,534 | Nepal                  | 2489                                | 159                                 |
| 84                        | Chechen Republic of Ingushetia      | 118,7                          | 1957,131 | Ethiopia               | 1945                                | 166                                 |
| 85                        |                                     | 106,8                          | 1760,923 | Republic of Haiti      | 1784                                | 172                                 |

Source: Calculations are made by authors on the basis of data of Rosstat and the IMF [1] at an average rate of dollar 60, 65 in 2016.

As the table 2 testifies, the difference in GRP between leading regions and regions-outsiders is very high. However, it is impossible to draw a conclusion about the considerable difference in the standard of living of these regions’ population.

First, the gross regional product presents only the circumstantial idea of the population welfare as reflects the volume of produced goods and services [20]. Secondly, GRP does not reflect an extent of income differentiation in the territory of the certain region where a considerable part of regional income can be concentrated in hands of limited group of people. Thirdly, in the calculation of a gross regional product the quality and availability of the consumer and social benefits are not considered.

In the research of the Doctor of Economics V.V. Savalya [19] indexes of living wage which represent the high cost of life in leading regions are applied for the purpose of specification of regions’ position. Besides in the calculation of GRP the budgetary subsidies and income gained in the informal sector are not considered. According to estimates of the IMF, the share of “black” or “shadow” economy reaches 39% in the Russian Federation [2].

In general the considerable differentiation of GRP values is explained by the huge territory of Russia, resource capacity of regions, cultural traditions. In this regard the analysis of a gross regional product on the federal districts was carried out by authors.
5. Experimental part

The present stage of economic development of the national Russian economy is characterized by the stabilization of macroeconomic environment that is reflected in volumes’ increase of a gross regional product of the country. So, during the crisis period of 2014 GRP was 59188, 3 billion rubles or 74% of gross domestic product [9]. Today this indicator has increased to 77% of GDP and comes out at 698982, 2 billion rubles (fig. 1). The complication of international relations of our country with a number of European countries and the USA, the imposition of sector sanctions, degradation of the situation in the world raw markets, instability of national currency rate and other negative factors promoted the decrease in the production of gross product in an array of regions. Decrease in growth rates of GRP volumes in 2016 has made only 1, 8% of the level in comparison with 2015. However, the decrease in growth rates of gross domestic product in Russia during this period comparing with the previous year was up to 3%. The fact of positive dynamics of GRP is regarded as a favorable tendency by analysts.

In general for the analyzed period of 2011-2017 an increase in the production of a gross regional product at decrease in growth rates is observed in the national economy and that is explained by negative impact of economic crises in this period.

In fig. 1. Dynamics of volume of a gross regional product during 2011-2017 [3].

The analysis of regional structure of GRP has allowed revealing leading regions in production of gross value added. So, about 35% of a gross regional product of the country (fig. 2) falls to the share of Central Federal District. In the territory of the Volga region more than 15% of GRP of Russia is created. The essential contribution to the formation of a gross product belongs to The Ural federal district – about 14%. This structure allows assuming about the high level of industrial and non-material production concentration in these regions.

Economically unsuccessful The North Caucasian Federal District is positioned as the least active region which share in structure of GRP makes 2, 6%.

The real development of economy in regions is reflected in an indicator of an average per capita gross regional product. By values of this indicator the greatest economic efficiency of economic activity is observed in regions of the Ural Federal District where more than 730 thousand rubles per capita are necessary that for 64, 5% exceeds the average Russian indicator (fig. 3). High rates of economic system effectiveness are also characteristic for the Central region and the Far Eastern Federal District.

The North Caucasus and the Southern Federal District are the least economically effective and demanding special state regulation [15]. Average GRP per capita value is much less than the all-Russian indicator.
The analysis of physical volume dynamics of GRP in members of the state allows to judge about the intensity of real economic processes happening in regions. The stabilization of macroeconomic situation in Russia in 2017, overcoming of investment and financial crises during this period is confirmed by an indicator of GDP of the country which index of physical volume has reached during this period 1.5% in comparison with the previous 2016 and also revival of production of a gross regional product in the members of the state which have increased formation of value added by 1.3% in 2017.

The advancing development of economy is characteristic during the analyzed period for the majority of Russian regions. However, the greatest excess of real production gain of GRP over the average Russian indicator in 2017 is observed in the Southern Federal District - 4% relatively to 2016. An intensive accumulation of GRP is observed in the North Caucasus, in the Volga district. At the same time the economic crisis is not yet overcome in a number of regions. The dynamics of a gross regional product represents the unsuccessful condition for the economic system. The Far Eastern Federal District which reached leader values of economic development and an increment of
production of GRP in 2016 treats such territories, and in 2017 – significantly reduced the implementation of actual value added in the region.

The discovered imbalance at rates of economic development is explained, first of all, by difference in the productive and economic capacity of territories. Mainly industrial type of economy of Russia and its raw-material orientation throughout the long period of time have caused the advancing development of regions specializing in industrial production and focused on the world markets.

So, the analysis of sector structure of GRP has revealed territories which economy is based on the formation of the "weighted" gross value added that is formed in the branches producing goods. There are various approaches to the classification of regions on the basis of various criteria [13]. The determination criterion of conditional specialization of the region in this research is the GRP share of goods production branches in the general structure of the value added created in the region. The high value of this indicator (excess of 50% in a total amount of GRP) characterizes the territory specializing in the industrial production. The Ural, Volga, Siberian and Far East districts belong to such regions. So, more than 60% of GRP of the Ural Federal District are formed in the real sector of regional economy, in particular in the extractive branches and manufacturing industry.

The share of the gross value added formed by the industrial enterprises of the extractive and processing industries in the Volga Federal District is high.

The primary development of branches providing non-material services is observed in regions of the Central, North Caucasian, Northwest and Southern federal districts [14]. So, the share of GRP generated in a service industry of the Central regions of Russia makes about 70% of the total value of value added of the CFD today.

This classification of regions, in authors’ opinion, can form the basis of regulation algorithm of the balanced development of national economy assuming impact on factors determining scales and intensity of economic development of regions in modern conditions (fig. 4).

![Diagram: Types of regions by criterion of specialization](image)

**Figure 4.** Algorithm of regulation of the balanced development of national economy.

6. Conclusion
In general, by results of the conducted research it is possible to draw the following conclusions:
1. The structure of national economy of the Russian Federation is unbalanced and disproportional. The considerable differentiation of GRP values by regions is observed.

2. The distinction of regions by an indicator of a share in GRP of productive industry allows determining the directions of the balanced development regulation of national economy by means of impact on factors determining scales and intensity of economic development.

3. Ensuring economic efficiency of the national economy operation requires the creation and development of such infrastructure in regions which would provide growth of service industry in the structure of GRP reflecting an increase in welfare of the population and availability of information service, health care, operations with real estate and so forth.

Besides, the intensification of the intellectual branches’ development and the knowledge-intensive production providing to the country the maintenance of global tendencies and also increase in competitiveness of Russia in the world community is relevant for the Russian economy.

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