

PLACE-BASED APPROACHES TO REGIONAL DEVELOPMENT: REGARDS TO RUSSIAN «RESOURCE TYPE» REGIONS

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Abstract. At the end of the XX century, the success or failure of economic development of a country is largely determined by the capacity for innovative development of the distinct regions, territories of the country. A significant differentiation in the level of socio-economic and innovative development of the regions has a negative impact on the internal and external competitiveness of the country. Many liberal economic concepts based on place neutral approach have been developed in order to explain these regional differences and to evaluate their impact on the economic growth and development of the national economy. Among them there were the theory of tacit knowledge, the cluster approach, the concept of innovation ecosystems and others. Most of them are focused on the search for innovative development tools for the most «advanced» regions and believe that other regions will inevitably follow the leaders. However, practice shown that this model that such a development model cannot always be realized. Especially problematic its implementation in «resource-type countries», to which Russia belongs. In these conditions it is particularly the important role plays the place-based approach – a new paradigm of the regional development specializing on searching, creating and implementation the internal and external tools of development of the several countries and territories. In the literature, there are at least five major fields of discussions on the place-based approach. We believe that the Smart specialization is the most adequate concept for the analysis the problems of the Russian «resource-type» regions.

The purpose of this report is to study the possibility of implementation the basic elements of the concept of Smart Specialization in Russian «resource-type» regions

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Research methodology: the concept of place-based approaches (Barca F., McCann, P. and Rodriguez P., Gray N.), the concept of «Smart specialisation» (D. Foray, David P., B. Hall), a model of the enclave dual economy (M. Ross, J. Stiglitz, S. Levin et al) descriptive statistics, cluster analysis.

The report is structured as follows.

The first part analyzes the theoretical and practical research on Smart Specialization, a comparison with other concepts of place-based approaches to the regional development policy. Smart specialization is a relatively a new concept that is specifically focused on the problems of leveling regional differences based on regional innovation policy instruments in the medium-and undeveloped countries and regions. It has been promoted as an important tool of Europe 2020 Strategy and a key element of the new innovation policy regions. As

comprehensive program Smart specialization designed to search for the identification and development of unique competitive advantages of the region, including with respect to undeveloped. It is based on such elements as the process of entrepreneurial potential disclosure of the internal market and the creation of immanent mechanisms of interaction between regions. The key element of Smart specialization is a partnership of all regional stakeholders: business, government, science and local communities (including non-profit professional organization, expert organizations, etc.) on the basis of equality and interest in the framework of Quadruple-Helix Model. The important points of Smart specialization concept are the search of balance between the place-based approach and international embeddedness with the emphasis on role the partnership of all regional stakeholders in these processes.

The second part of the report is devoted to analysis of the specifics of the development of Russia and its regions. We focused on the definition of the place-based approach within the concept of «dual enclave economy» that allowed identifying of key problems of the place-based approach and global embeddedness in the Russian conditions.

Russia is the largest producer and exporter of fossil fuel in the world market. The exaggerated role of the fuel and energy sector in Russia and its predominantly extensive development have a negative impact on the economy, holding back its development and global embeddedness. The exaggeration of the fuel and energy sector role in Russia has resulted in the formation of a «dual enclave economy», with the features as follows: the presence of two or more sectors (enclaves) isolated from each other; a high proportion of high-yielding, extensively developing, export-oriented industries involved in the extraction of natural resources; a small share of manufacturing industries represented by mainly simple process-based production; poor development of industries in the domestic market; incomplete processes of market transformation manifested in the underdeveloped domestic market and infrastructure; strong dependence on global markets and global, vertically integrated companies; low receptiveness to innovative development; fusion of business and authorities and their rent-seeking behaviour; and the presence of inefficient institutions (rules of the game) preserving the current situation. These features are particularly pronounced in the so-called «resource-type regions».

The economy of these regions is based on the export-oriented industries as well as raw resources extracting and mining industries. Russian multinational corporations integrated into the global chains of added value producing and by rent-seeking local authorities determine the specific of the inclusion the Russian regions into the global value chain and tend to the dual economy with isolated export-oriented natural resource sector. In this context, «dual enclave economy» is the main challenge for the Russian regions and the source of such problems of Russian economy as «bad» international embeddedness in the world markets which is shown in a heavy reliance on global raw resource and financial markets, and lack of demand for place-based approach implementation with relatively weak involvement in the international division of labor, fragility of economic space

(sustainable regional fragmentation), a lack of the domestic markets, inefficiency of the federal and regional institutions, the weakness of the regional authorities and undevelopment of the local communities.

The concept of «dual enclave economy» allowed identifying indicators and criteria «resource-type» region, classification and creating the verbal and formal models of development of these regions with tools of descriptive statistics and cluster analysis. The authors revealed that the dual nature of the enclave resource regions can be both an obstacle and a source of innovative development of the region.

In the third part of the report we have tried to find the most appropriate tools for development of the Russian resource-type regions on the basis of the concept of Smart specialization. The analysis shows that such decision may be distinguished with overcoming from the enclave-type trajectory development to the resilient trajectory development of resource regions. A partnership of government, business and universities must play a key role in the building of resilient regions in Russia. Search and selection of that form of participation could be a new approach to creation the resilient regions and the regional innovation system based on «susceptibility to innovation». The way to build resilient regions in Russia is to find subjects that can create domestic markets and cohesion between «business to business», «businesses to local authorities», «businesses to local communities». We believe that a variety of professional non-profit organizations can become full-fledged regional development institutions.

The experience of inter-regional Association of Mechanical Engineers of Kuzbass (Kemerovo region, Siberian federal district) in the negotiations participation to form regional policy in the eight regions of the Russian Federation is highlighted in the third part of the report.

In conclusion we concluded that the experience of inter-regional Association of Mechanical Engineers of Kuzbass may be used in other Russian regions, including non-resource regions.