

# The Myth and Reality of the Russian Far East as an Economic System

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**Abstract.** The Russian Far East was considered throughout Soviet and post-Soviet history both by the scientific community and authorities as a spatial (territorial) economic (socio-economic) system, i.e. as an economic and territorial integrity that should have been developed, moreover, in a complex, maximally using the natural resource potential and features of the economic-geographical position, attracting investments and the population for this. It is in this form that the Russian Far East is represented in the Strategy for Spatial Development. According to the authors, the Russian Far East is not a spatial economic system, but a conglomeration of economies of individual units of administrative-territorial division. This thesis relates to both the sectoral and spatial aspects of the Far Eastern economy. Intersectoral ties within the Russian Far East are extremely limited, occur only in the southern zone of the macroregion, and practically do not extend beyond the fuel and energy complex. We can't talk about the formation of production chains in the manufacturing sector. The economic space of the Russian Far East is not only extremely heterogeneous, but also extremely fragmented.

## 1. Introduction: formulation of the problem

The fact that the Russian Far East should be developed is beyond doubt. But, as marked by P. Minakir and O. Prokapalo, "the question remains: why with the universally recognized positive (...) and negative factors (...) the economic development of the region is unstable in the sense of alternating of periods of relative prosperity and failures of growth rates and level of development" [12, p. 146].

The answer, perhaps, should be sought in the fact that the economy of the Russian Far East (usually considered within the borders of the Far Eastern Federal District – FEFD) is not a spatial system. And that its perception as a system is nothing more than a stable mythologeme. We note (without going into details) that the system is nothing more than a combination of elements and the relationships between them. A new quality is formed due to the presence of connections, which is usually referred to as the emergency (i.e. the irreducibility of the system properties to the sum of the properties of its constituent elements). It should be borne in mind that emergent properties are characteristics of a social structure that are not amenable to control by individuals [3, p. 24].

Another fundamental point of system analysis which is so obvious that it is often neglected: the system assumes the presence of the environment. The system differs from the environment, but cannot exist without it; the system and the environment are in constant interaction [2; 4; 5; 9]. The Russian Far East (as well as other macroregions) is no more than one of the levels of spatial organization of the economy, the higher (with reference to its) level (national) is the environment that affects the structure of the economy of the macroregion.

A real object is considered as a system if the result of its behavior is defined as the product of the interactions of its parts. Consequently, many objects can be studied as elementary or as systems; it is a matter of researcher's choice [1, p. 146]. But this does not mean that a non-systemic object cannot be subjected to system analysis. As N.V. Timofeev-Resovsky said: "a systems approach can be applied to anything: up to a match box" [13, p. 92]. But the systems approach is advisable in those cases when it is possible to formulate the structure which should be studied, but not yet studied, and the system in which we can distinguish indivisible elementary structural units with which something can happen [13, p. 94].

## **2. Economic areas and administrative divisions**

If we now turn from general considerations to the field of spatial economics, we can assume (as developers of numerous regional programs and strategies do) that the economic space (regardless of the boundaries in which we consider it) is the space of economic systems.

In our opinion, this is not entirely true. There are economic areas, i.e. spatial economic systems, and there are regions (these are units of administrative-territorial division in Russian practice) – spatial entities that do not have systemic properties [6; 10; 11]. If regions are usually given, then the search for the boundaries of economic areas (for strategic planning purposes in our case) is not a trivial research task [7].

The tools of economic regionalization are traditionally used in combination with methods of economic zoning to determine the boundaries of spatial economic systems. If economic regionalization allows us to distinguish systems that are economically and spatially integral, then zoning allows us to identify and evaluate the context (both natural and social) within which the formation and functioning of spatial economic systems takes place.

Naturally, there can't be any one universal grid of economic areas (indeed, as a universal grid of zones) which suitable for all occasions. Both economic regionalization and economic zoning are always targeted. In other words, tasks of an operational nature involve one set of criteria and a corresponding grid of areas, while strategic tasks involve other criteria and a system of areas.

Moreover, the nature of the boundaries of spatial economic systems will be different: if the boundaries are sufficiently definite in the first case, then they are, as a rule, very approximate in the second case.

## **3. Russian far east: spatial system or conglomerate?**

The Russian Far East appears in two qualities in the Strategy for Spatial Development. Firstly, this is the macroregion (within the borders of the eponymous federal district). Secondly, it is a geostrategic territory. This is not clear what is a macroregion or geostrategic territory. But it is certain that the Far East is not a systemic object in either case. In fact, the Russian Far East in both forms is nothing but a conglomerate of economies of individual regions (units of administrative-territorial division), no more than a unit of statistical accounting. This thesis relates to both the sectoral and spatial aspects of the economy of the Russian Far East.

Intersectoral ties within the Russian Far East are extremely limited. If they do occur, it is only in the southern zone of the macroregion that are practically limited by the fuel and energy complex. We can't talk about the formation of production chains in the manufacturing sector. At best, Far Eastern producers act as suppliers of raw materials for industries located either outside the Far East or outside the Russian Federation.

In our opinion, the economic space of the Russian Far East at the first level of its decomposition includes three geographically separate structures (the Far East, Yakutia and Transbaikalia), each of which has its own territorial and sectoral structure of the economy (see detailed argumentation in [6; 11]). Moreover, these three territorial structures practically do not interact with each other. I.e. the economic space of the Russian Far East is not only extremely heterogeneous, but also extremely fragmented.

But if we delimit the economic space according to the conditions of economic activity and population living, then we can talk about four macroeconomic zones: the Arctic, the Far North, the Middle North and the Far Eastern South [6; 14].

The economic mesoareas, especially outside the southern zone of the macroregion, are interspersed with gaps, within which should not expect the formation of any large-scale economic areas, especially in the north and the Arctic zone (due to extreme environmental conditions) [8].

#### 4. Conclusion

So, if we follow the basic principles of the systems approach, we have to admit that, in fact, there are several Far Eastern territorial entities under the “Russian Far East” marker. Some of them have systemic properties; these are economic meso- and microareas. Others do not possess such properties; these are territorial groups of economic agents united by a common territory and infrastructure networks (by no means always). And these territorial entities (spatial systems and groups) are interspersed with gaps (outside the southern zone) and form a conglomerate spatial structure.

This fact puts the question on the agenda: Is a holistic development strategy for the Russian Far East possible, or is such a strategy nothing more than a ‘shell’? However, one more question is also legitimate: A series of strategies is possibly needed that focuses on the development of existing spatial economic systems or on their formation? For example, the strategies are possibly needed that focuses on the development of the south of the Russian Far East (the Amur Region in pre-revolutionary age) or the formation of the “Pacific facade of Russia” (Primorye – Sakhalin – Kuril Islands – Kamchatka – Chukotka).

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