

In Search of a New Development Paradigm for the City of Komsomolsk-on-Amur

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Abstract— In recent years in Russia attempts have been made to modernize the national economy. One component of the aforementioned policy is the wager on an advanced development status for several territories; Komsomolsk-on-Amur has been granted such status in 2016. As a result, a conceptual framework must be developed in order to understand the chances the city has to turn into an evolving and flourishing economic center of the Far East region. It is necessary, first and foremost, to determine the paradigm within which the city's socioeconomic potential should be evaluated. In the article, the main paradigms of social development are compared in their application to the aims of Komsomolsk-on-Amur's development: theories of modernization, geographical determinism, and an institutional approach. Migration gain is seen as an indicator of the city's socioeconomic prosperity. The influence of factors, on which each of the compared paradigms focuses, (investments, climate, institutions) was tested, using official statistics, and employing regression analysis.

Keywords— *Paradigm, Komsomolsk-on-Amur, Development, Modernization, Institutions, Migration Gain.*

1. INTRODUCTION

In order to test the ability to explain conceptually Komsomolsk-on-Amur's prospect of development, one must consider the following paradigms: theory of modernization, geographical determinism, and institutional approach. The concepts "paradigm," "theory," and "approach" are used interchangeably.

2. THE THEORY OF MODERNIZATION

The theory of modernization was mainly developed by political scientists and sociologists in order to explain the outlook of democracy in developing nations. In S.Lipset's classical version, the stableness of democracy is determined by the level of economic wellbeing (size of GDP per capita) [1]. In other words, the issues of democratization and institutional transformations are moved to the background until the onset of better times, economically speaking. We assume that the paradigm of modernization is at the root of state economic policies implemented and aimed at Komsomolsk-on-Amur. The focus is on industrial growth, regardless of which technological paradigm it will be based on. This is supported by official data regarding the purpose of

"Komsomolsk" TASED (Territory of Advanced Socioeconomic Development in the Russian Federation) investment platforms [2]. This way, ultimately a considerable increase of investments is required for modernization to take place.

Nevertheless, growth of investment and industrial production cannot be an objective in and of itself. Regional and local authorities are especially concerned by population outflow. It is clearly understood that the migratory situation is an objective indicator of the city's socioeconomic wellbeing and prospects of development. By having a sample which includes 85 cities with a population greater than 100 thousand people, and making calculations based on official statistics [3], we have concluded that, over a 10 year period, the migration gain index in Komsomolsk-on-Amur is one of the worst (see Fig. 1).

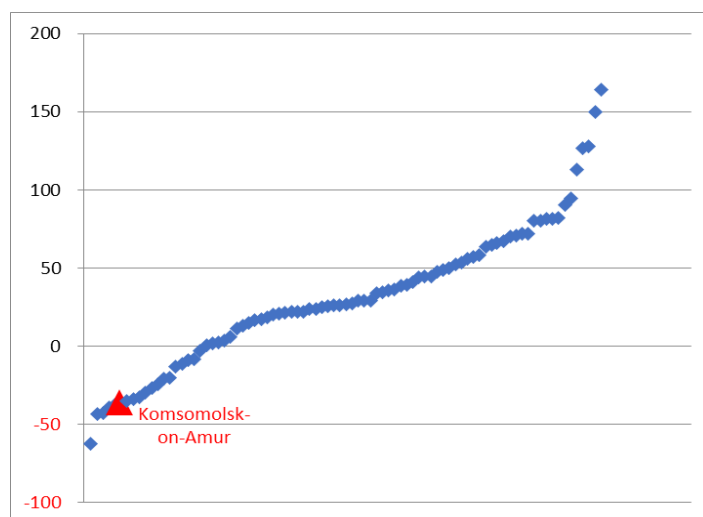


Fig. 1. Migration gain coefficient on an annual average of 10,000 people over the period of 2003-2015.

Regression analysis shows that the amount of investment in capital stock accounts for 32.34% of migration gain variability in Russian cities included in the sample (see Fig. 2).

In the case of Komsomolsk-on-Amur, with given level of investments, the actual rate of the migration gain index is

considerably lower than expected: instead of a positive, it has a negative value. It is evident that the modernization arrangement to grow investments will not lead to the desired effect without taking into account, and correcting, a number of other factors.

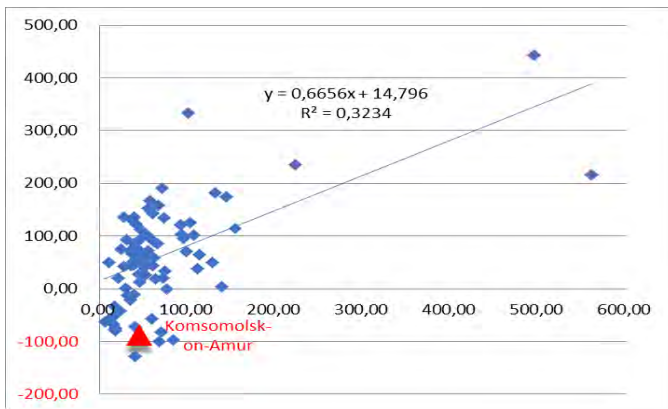


Fig. 2. Regression of migration gain coefficient (y) on fixed investments per capita (x, rub.) over the period of 2011-2013.

3. GEOGRAPHICAL DETERMINISM

It may be assumed that one of the factors, having a negative influence on the city development, is climate. This is a common explanation of the opinion that many denizens of Komsomolsk move permanently to Krasnodar Region. The direction of migratory flow is in accordance with conclusions of American researchers F. Hill and C. Gaddy, proving that, from an economic efficacy viewpoint, climate matters not only in industrial- but also in the post-industrial age [4].

However in our sample of 85 Russian cities with a population greater than 100 thousand people, neither the regression of the migration gain index on period of time (in days) with $t^*C \neq 0$ (see Fig. 3), nor the regression of migration gain on the average annual t^*C (see Fig. 4), and average t^*C in January (see Fig. 5), confirm this thesis. Official building climatology data was utilized to compute the regressions [5].

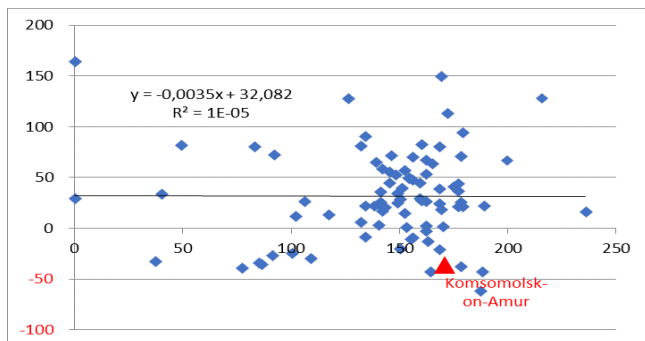


Fig. 3. Regression of migration gain coefficient (y) on period of time (in days) with $t^*C \neq 0$.

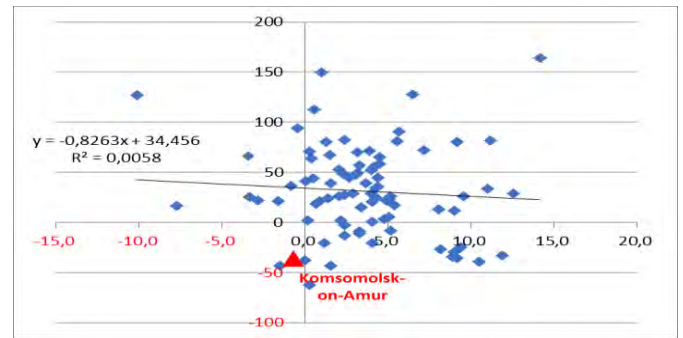


Fig. 4. Regression of migration gain coefficient (y) on average annual t^*C (x).

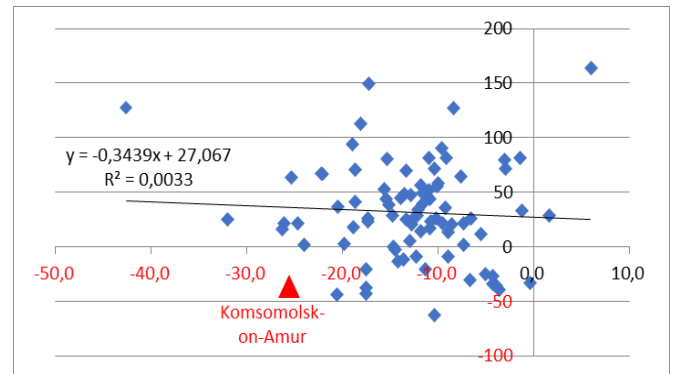


Fig. 5. Regression of migration gain coefficient (y) on average t^*C in January (x).

A number of Russian cities are located in much harsher climatological conditions than Komsomolsk-on-Amur, however a positive population dynamic, in relation to migration, is observed there.

4. INSTITUTIONAL APPROACH

American economists D. Acemoglu and J. Robinson [6] are convinced that development problems lie in institutions: "inclusive" institutions lead to stable growth and prosperity, whereas "extractive" ones produce stagnation and poverty. They illustrate this thesis with an example of two border cities with the same name – Nogales. However, one Nogales is located in Arizona, USA, while the other is in Mexico's state of Sonora. Regardless of geographic, ethnic, and cultural similarities the two have in common, there is a gaping economic abyss between the Nogaleses.

Different institutions lead to different consequences. But do identical institutions guarantee an equal result? If we analyze the conditions within varying districts of the same cosmopolitan city, it becomes evident that the commonality of some institutions becomes a recipe of success in some neighborhoods, but does not offer any hope to escape poverty in others. The capital of Great Britain is an example of this [7] – a country in which, according to the American economists, inclusive institutions have been formed.

The outcomes of recent parliamentary and presidential elections discredit the inclusive nature of modern Russian political institutions. But just as inclusive institutions don't make all actors wealthy and developed, extractive institutions don't condemn all actors to poverty or backwardness. In particular, cities with a regional center status (capitals of republics, territories, and districts) have a considerable advantage over cities with the same population, but not in possession of a similar administrative status. Administrative leverage causes leveling of a negative influence on the migration of the climatic factor, which is verified if only non-regional center cities remain in the sample (see Fig. 6).

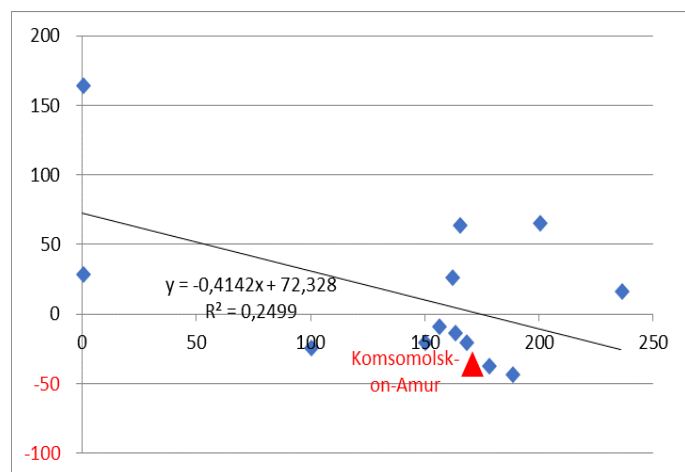


Fig. 6. Regression of migration gain coefficient (y) on period of time (in days) with $t^*C \leq 0$ in non-regional center cities.

Conclusions

To evaluate the prospects of Komsomolsk-on-Amur's socioeconomic development, there are at least three paradigms, none of which could be called perfect, and at the same time fully fabricated. Socially induced variables are investment and institutions. Climate is a constant. Long-term development strategy should be based on reasonable

investment generation, while taking into account the limitations imposed on this process, stemming from harsh climatological conditions and the absence of necessary administrative leverage that a regional center possesses. In Russia's conditions, administrative leverage is the extractive institution that creates a competitive advantage for one city over another. Komsomolsk-on-Amur being assigned a "city of presidential attention" status has been an attempt to compensate for the lack of administrative leverage, experienced by the city. As shown by migration statistics, this measure has not produced the desired result: the migration gain coefficient is still negative. Correcting this trend in the long term assumes further investment and administrative leverage growth by means of implementing a paternalistic policy by the government for the city.

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