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Regional policy and Urbanization in the contemporary Russia

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Regional policy and Urbanization in the contemporary Russia

Simultaneous development of two worldwide processes, namely, globalization and urbanization are bound to have crucial influence on social-economic situation in the next 50 years, both in Russia and the rest of the world. All cities today are driven in part by stiff competition, manage regeneration programs and promote a positive image of urban space and develop creative economies (Puissant, 2011). Although Russia is highly urbanized country, its urbanization rate is 73.7%, however, there is absence of definite Federal Urban Development Policy as well as clear judgement of the place and role of cities in global post-industrial society. As a result Russia experiences an uncontrollable process of urbanization and transformation of cities at the present stage.

As a matter of fact historically Russia has given priority to the regional development based on the alignment policy, but modern regional development is very ambiguous and it is a major topic of debate in recent years. So far the Russian Federation (*RF*) has had no single comprehensive framework document that would clearly outline its regional policy (Golubchikov, 2010). Nevertheless the *RF* has yet some updated comprehensive strategies about regional policy in Federal Districts and Regions. Even so Russian regional policy is a conflicting process. On the one hand, regional development is based on the alignment policy, as it was before. While on the other, government is trying to find 'backbone regions' or 'growth locomotives' for creation 'an engine' for the development of a whole country. So much as with a new government regime Russian economy and development mainly take place on a sectoral basis, rather than territorial. It is an un-escaped (pursued) inheritance of the planned economy and post-soviet reality.

Consequently, contemporary regional policy doesn't make a good deal with country's urbanization problems. Regions, as well as cities, created and developed for planned economy, don't have a progress inside the open market environment. Inversely, considerable part of them clearly is unable to ensure the competitiveness of its own economy, not only globally, but also country-wide. First of all, settlements that have historically arisen in connection with the old geopolitical system (centres of the military-industrial complex, closed administrative territorial units, single-industry cities, etc) are in a high-risk group as they are not adapted to the development of new economy. The cause is all economic ties were destroyed after the collapse of Soviet Union and with this the creation of a new trade market is demanded with manifold resources and a total reconstruction (reconceptualising) of a

whole cities' economic basis. On the other hand a set of macro-initiatives are demanded for making an urban network throughout the country. A new advanced transport infrastructure is a minimum prerequisite and a crucial factor for a creation a contemporary trade market with new suppliers and users. Unfortunately without government support post-soviet cities do not find themselves in the market economy. The objective of this paper is to analyze the current urbanization process and city network of the *RF* in order to understand existing urban patterns and to reveal a set of peculiarities of Russian cities which will provide a knowledge base for the subsequent creation of a comprehensive approach for post-soviet cities regeneration. To reach this goal the present hierarchy of Russian urban system is analysed on the base of population size, accessibility of the transport system, and the level of urban functions.

To preface with analysis of country's territorial features and its main demographic trend, the *RF* is the largest country in the world. The role of the space in Russian history and its present value is the subject of governmental disputes. On the one hand, a vast territory with a lack of funds is a burden for the country development, while on the other it is a priceless national treasure (Lappo, 2002). However this huge territory demands an effective mechanism for sustainable spatial development which will take into account a set of territorial and socioeconomical peculiarities. Figure 1 shows the Federal Districts of Russia which is available on Wikipedia and has been further developed into Table 1, showing the spatial characteristics of the *RF*.



Figure 1. Federal Districts of Russia

(Courtesy: http://en.wikipedia.org/wiki/Federal_districts_of_Russia)

Table 1. Spatial characteristics of Russian Federation

| Name of Federal District | | Area (km²) | Population (2010 Russian Census) | Federal subjects | Administrative centre | Cities (total) | Cities with population more than 100 000) |
|--------------------------|-----------------|---------------|---|------------------|-----------------------|-------------------|---|
| | Central | 652,800 | 38,438,600 | 18 | Moscow | 310 | 41 |
| | Southern | 418,500 | 13,856,700 | 6 | Rostov-on- Don | 79 | 17 |
| | North - Western | 1,677,900 | 900 13,583,800 11 Saint- Petersburg | | 145 | 11 | |
| | Far Eastern | 6,215,900 | 6,291,900 | 9 | Khabarovsk | 66 | 10 |
| | Siberian | 5,114,800 | 19,254,300 | 12 | Novosibirsk | 130 | 22 |
| | Urals | 1,788,900 | 12,082,700 | 6 | Yekaterinburg | 115 | 16 |
| | Volga | 1,038,000 | 29,900,400 | 14 | Nizhny Novgorod | 198 | 34 |
| | North Caucasian | 170,700 | 9,496,800 | 7 | Pyatigorsk | 56 | 13 |

From the 2000 the *RF* is divided into the eight Federal Districts (*FDs*) mainly based on the territorial belongings. There are Central, Southern, North-Western, Far-Eastern, Siberian, Urals, Volga and North-Caucasian Federal Districts¹. They are a level of administration for the convenience of the federal government. Each Federal District has an official administrative centre. With some fraction of convention we can assume that these centres are main political centres in Russia. At the same time Russia comprises eighty-three Federal Subjects (regions). These Federal Subjects are of equal federal rights. Actually the contemporary regional policy considers the development of both Federal Districts and Federal Subjects, based on the set of Strategies for their Socio-economic Development. At any rate, capitals of Federal Subjects (regional capitals) form a general and initial basis of urban network in the *RF*. Main features of this type of cities will be considered more ample further. In fact Federal Districts as well as Federal Subjects are very heterogeneous. They are differing from areas, population density, and climate to GDP, industries and main economic indicators. As a result this heterogeneous creates additional obstacles for planning harmonious urban network for a whole country.

Contrariwise less than 143 million people live on the vast Russian territory and at the same time there is a strong population declining. In the past 50 years, Russia has lost its status as a demographic superpower. Now it ranks 9th behind countries such as Pakistan and Bangladesh.

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¹ President of the Russian Federation. Decree № 849 of May 13, 2000 On the Plenipotentiary Representative of the President of the Russian Federation in a Federal District. Effective as of May 13, 2000

(Sievert, et al., 2011). The main demographic trends in the RF during last decades are represented in Figure 2.

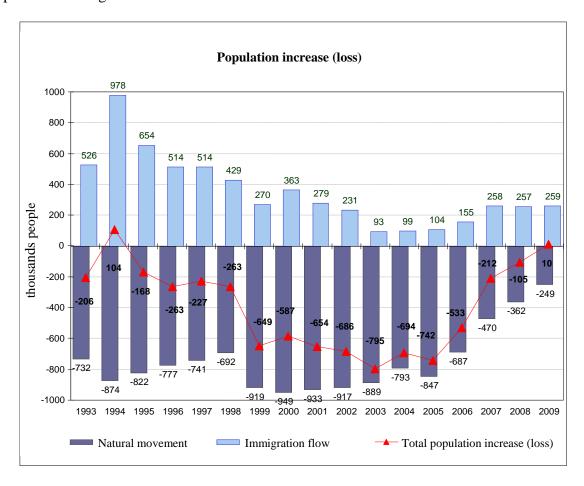


Figure 2. The dynamic of Russian population (Courtesy: Rosstat, 2012)

Russia faced a permanent natural population loss during 1995-2009. The number of births declined significantly and migration flow didn't replace the natural movement. With regard to the total number of arrivals, Russia is the second most popular immigration country worldwide and strongly depends on further immigration (Mansoor and Quillin, 2006). From 2007 the rate of natural population loss has sluggish gone down. From 2009 the volume of immigration inflow has exceeded the natural loss. And as result of it from 2009 we can observe a little gradual growth. In 2010 the population of the *RF* has raised at 0.965 million people in comparison with previous year, also some growth is observed during 2011 and first quarter of 2012 (Rosstat, 2010, 2011, 2012).

The large size and great diversity of the *RF* combined on the one hand with population declining and on the other with spatial urban network inherited from Soviet planning regime, presents a set of challenges in regional and urban development. Taking into account the aforesaid peculiarities, one of the crucial questions for Russia is how to manage this territory

and how to increase a role of cities in spatial (regional) development. For understanding a city network on the domestic scene we progressively consider the urban settlement patterns of Russia, type of cities, their hierarchy and social-economic dynamics during last decade.

Modern cities are the centres of politics, culture, knowledge and innovation, as well as they are main economical engine for country development. The rates and quality of socio-economic development of the city are crucial factors affecting the competitiveness of each region and a whole country as well. That's why the process of urbanization and cities creation have gained a highly importance for country's sustainable development. In other words, the role of a city is increased in modern innovative society; however the role of a city within the Russian economy is not well-marked.

Russia is expressing high level of urbanization due to in the 20th century Soviet regime converted the former peasant's state into an industrial giant (Sievert *et al.*, 2011). The urbanization process was rapidly developing after the First World War and had a flank speed after the Second World War, from 1950's up to 1990. During last decades the urbanization processes has stabilized and varies slightly from year to year, but in general the ratio of urban and rural population in the country remains stable and vibrates around seventy three percent. However from 1991 to 2010 the urban population in an absolute value has reduced by 4.1 million inhabitants; from 109.4 million to 105.3 million.

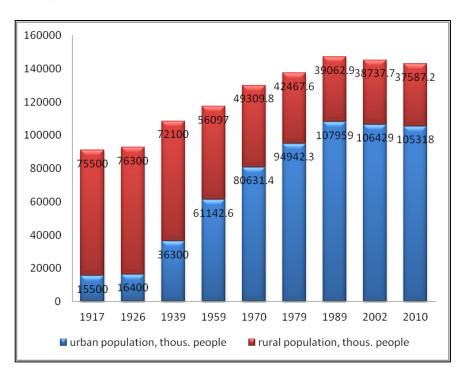


Figure 3. Ratio of urban and rural population in the RF

At present there are 1099 cities in Russia (the population Census of 2010)². There are twelfth cities with population over one million inhabitants. Among them are Moscow, Saint-Petersburg, Novosibirsk, Yekaterinburg, Nijnii Novgorod, Samara, Omsk, Kazan, Chelyabinsk, Rostov on the Don (Rostov-na-Dony), Ufa, and Volgograd. Besides, twenty-five cities have population between 500,000 – 1,000,000 people and thirty-six cities have population from 250 up to 500 thousands people. There are ninety-one cities with population between 250,000 – 100,000 people. All others 935 cities or 85% of Russian cities have population less than 100,000 inhabitants (Rosstat, 2010). As a result the fifteen percent of Russian cities with population over 100,000 inhabitants concentrate around seventy-one percent of all urban residents. In fact more than twenty-five percent of urban population lives in twelfth cities with population over one million people. At the same time only twenty-nine percent of urban population lives in 935 Russian cities.

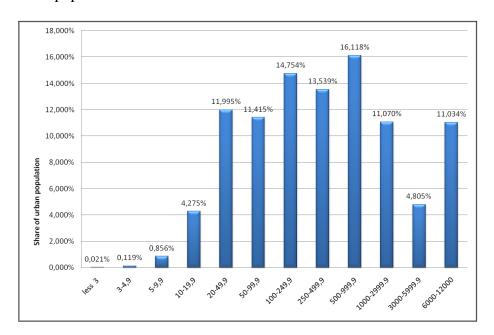


Figure 4. The distribution of urban population among cities with different population level

The rank-size analysis has revealed that the quantitative behaviour of urban pattern in Russia doesn't follow a Zipf's Law. According to this Law, a country's largest city has about twice as many inhabitants as its second-largest city, three times as the third-largest, etc. Following the Zipf's Law the group of small cities in Russia should have population between 11,000 – 10,000 people. In reality the smallest Russian city, Chekalin in Tulskaya oblast, has only 986 residents. In addition there are 184 cities (16.7%) with population less than 11,000 people dispersed throughout the vast territory. Certainly, now Russia is a country of small cities.

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² In Russia, a city is a settlement where more than 50% of population doesn't work at an agricultural sector.

Nevertheless, there is a lack of big cities with population between 1.5 - 6 million inhabitants. For instance, Saint-Petersburg is a country's second-size city, has population less than half of Moscow. Furthermore all other cities with population over one million residents don't touch a two million bound.

Although Russia is a country of small cities, at the same time its space is a hyper polarized due to Moscow. Actually, Moscow, the capital of Russia, is an enormous city which concentrates around eleven percent of all Russian urban population (and eight percent of all country's population). Moreover Moscow generates twenty percent of Russian GDP and eighty percent of all country's financial flows (Sobyanin, 2012). Likewise the general concentration index of urban population in Russia is equal to 0.9964 and also among Federal Districts this index various from 0.775 in North-western *FD* to 0.526 in North Caucasian *FD*. In other words such high value of concentration index has proved highly unevenly distribution of urban population across the country's cities and towns.

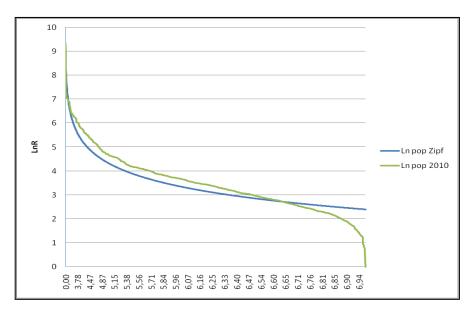


Figure 5. Zipf's Law for Russian cities for the year 2010

As a result, we can conclude that Russia is the country of few large cities with a lot of small ones. Furthermore the second-ranking cities are too weak to become the engine of growth (Sievert *et al.*, 2011). Elvira Nabiullina, Russia's Economic Development Minister, has estimated this situation a more precisely, stated that now the country is one growing major city and shrinking small towns (Trapkova, 2012). However, cities have to be developed in connection with each other for enforcing economical activity and social stability. The worldwide practice has shown that the economic success of major urban centres has a positive influence on the second-tier cities. The main thing here is to provide good interconnections

between them, to develop infrastructure and to plan and adapt the system of specialization and incentives (Trapkova, 2012). Do Russian cities create a national network or they function without connection?

For the further analysis consider geographical patterns of Russian cities. Russia is a heterogeneous country from distribution and density of population. The most of population is concentrated in the European part of it in Central, Volga and North-Western *FDs*. The population distribution among Federal Districts is represented below in Figure 6.

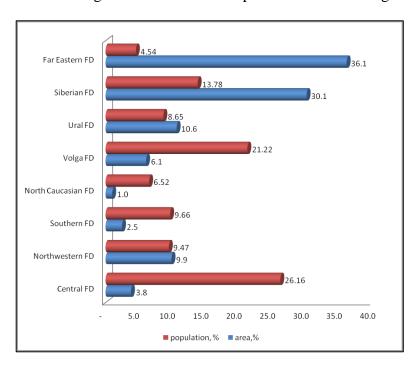


Figure 6. The distribution of population among Federal Districts

The average population density in Russia is 8.3 persons per sq. km. Central Federal District has the highest density, which accounts 57.1 persons per sq. km. Based on different sources (Rosstat 2012, Sobyanin, 2012) density of Moscow population varies from 9,682 to 10,659 persons per sq. km. and it is one of the highest densities among World cities. In contrast, Far-Eastern Federal District has the lowest density which accounts one person per sq. km., moreover density of Chukchi Peninsula (Chukotka) is 0.1 persons per sq. km only (Rosstat, 2010).

Similarly with distribution of country's population the cities allocation across the country is strong polarizing in its central part. Central and Volga Federal Districts (together they have ten percents of country's area only) concentrate forty-six percent of all cities and around fifty percent of urban population. The distribution of cities between *FDs* according to their population is represented in the Figure 7. Hence, Russian urban network has a high density of

population and concentration of cities in the European part of it, embraced Central, Volga, North-West, Southern and Caucasian Federal Districts; and on the contrary a very rare network at a remainder part of the country which comprises Far Eastern, Siberian and Ural Federal Districts. Ural can be considered as a border between two country's spatial urban patterns. As a result provisionally Russia can be divided for two parts; there are European and Eastern spatial urban patterns. European pattern has a mono-centric structure with a core in Moscow. It embraces forty-six Russian regions. Although European pattern occupies only 23.2% of country's area, it includes around seventy-free percent (72.6%) of urban population and seventy-two percent (72%) of all cities and towns. There are 788 cities from 1099 of all Russian cities including eight cities with population over one million people and sixteen cities with population between 500,000 – 1,000,000 inhabitants. In contrast, although Eastern urban pattern occupies around seventy-seven percent of country's space only thirty-eight and half million people live in this area including around twenty-nine million of urban residents. The average population density is less rather low and it is significantly less then in European part. Furthermore there are only twenty-eight percent of all Russian cities and towns, including four cities with population over one million inhabitants and nine cities with population between 500,000 - 1,000,000.

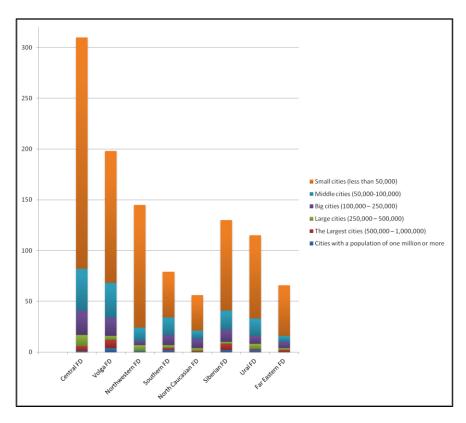


Figure 7. The cities distribution among Federal Districts

On the other hand, transport infrastructure is another essential difference between these two spatial patterns. The European pattern has a star-form, radiate from Moscow at the same time the Eastern pattern has a liner form mainly stretched out along Trans-Siberian railway. Development of Russian cities and their cohesion depends heavily upon existing infrastructure, that's why we stop at this point in a nutshell. Although Russia has the world's second-largest railway network, besides it the railway density is very low and as a result the connection between cities are unsatisfactory. For instance only seventy-eight from eighty-three regions have railroad tracks. Altai, Tiva, Kamchatka, Magadan and Chukotka don't have a railway connection at all. With its vast territory, Russia is far inferior to developed countries and nothing near so density of main transport infrastructure (Table 2).

Table 2. Length of rail roads and motor roads for the year 2008 (Rosstat).

| | Railroa | d tracks | Motor roads | | |
|---------|----------------------------------|--|-------------------------------|--|--|
| Country | Operating length, thousand km | Density, km per 1000 square km of area | Roads - total, thousand km | Density, km per 1000 square km of area | |
| Russia | 85,6 | 5,0 | 793 | 46,4 | |
| Germany | 33,9 | 94,9 | 644,5 | 1805 | |
| China | 63,6 | 6,7 | 3584 | 373,3 | |
| the UK | 16,2 | 66,7 | 420,0 | 1729 | |
| the USA | 226,7 | 23,5 | 6516 | 676,6 | |
| France | 29,9 | 54,2 | 951,1 | 1725 | |

Around sixty two percent of all railways and sixty eight percent of motor roads are concentrated in European spatial pattern; with the highest density equals 261 km per 1000 sq. km of area in Central FD and the lowest in North-Western FD which accounts 78 km per 1000 sq. km of area. At the same time the highest density in Eastern pattern accounts only 47 km per 1000 sq. km of area and it is in Ural FD. Far East has the lowest railway density at the level of 13 km per 1000 sq. km of area. There is an identical situation with motor roads. The highest density at the level of 242 km per 1000 sq. km of area is in Central FD and the lowest one is in Far East FD; it accounts only 7.5 km per 1000 sq. km of area.

Transport infrastructure is mainly concentrated in Moscow hub. Almost all regional capitals have connection between each other and are connected with Moscow. However Russian road system suffers from poor maintenance; and there are places where the road system in one region does not connect to a neighbouring region, *e.g.* between Tatarstan and Samara (Kashbrasiev, 2010). Of course, there are border crossings where roads in either region seamlessly could be joined, but it seems that interregional cooperation is so poor that roads at

these border crossings are still being repaired or constructed (Kashbrasiev, et al., 2001).

The poor infrastructure of air transport and especially international directions is another acute problem. The network of existing airports has declined by more than four times from 1999 to 2012. There were 1450 airports around the country in 1991 and now in 2012 there are only 305 (Aeroport, 2007; Morozova, 2012). In fact Moscow is only one major international air hub in Russia. As a result, for example, to reach Novosibirsk from Shanghai is possible only with change planes in Moscow; it doubles flight time of transfer as it is.

Usually transport infrastructure works on space shrinkage and taking into account Russian spaces transport infrastructure should became an efficient mechanism for reducing regional inequality, connect cities and create a cohesion network. However, in reality, interregional and interurban system of highways and railways are undeveloped in Russia. Weak interregional economic relations are explained mainly scanty transport infrastructure; that restricts the economic growth.

All in all the huge Russian territory is not linked by transport infrastructure. Even today there are many small towns which cannot be reached by land at all or only seasonally. As a consequence, it creates great risks for economic development as well as it creates additional problems for urban network functioning. Urbanization along with the development of transport infrastructure are the most powerful means to effectively passing Russian 'spatial barrier'. In the meantime, these two process urbanization and transportation are closely interwoven and it means that the development of transport infrastructure in the country will be one of the most serious challenges in the coming years for Russia. Developed transport infrastructure between regions as well as interurban is one of the important prerequisite for development and prosperity of Russian cities.

Furthermore now in Russia settlement patterns embody two opposite trends. One the one hand it is urban areas dispersal (*de*-concentration), that comprises the formation of hierarchically city network, more or less evenly covering the whole country's territory, while on the other, it is a territorial concentration around node cities. Therefore, consider what's happening inside the country's urban settlements.

The Russian attempt for integration in a global economy has influenced on formation a new cities hierarchy. In spite of the main trend is a high concentration of population and economic activities in Moscow; creation a sturdy urban network is necessary for the future sustainable development. It allows spreading economical functions among different cities and at the same

time provides territorial cohesion. In the general case all diversity of Russian cities can be classified by two parameters: administration division and cities specialization (Table 3).

Table 3. Typology of Russian cities.

| By administration division (Central places): | By types (specialization): |
|---|---|
| The capital – Moscow; | Industrial centers: Togliatti, Cherepovec |
| Capitals of Federal Districts – 8 cities; | Transport centers (port cities and rail junction): Arkhangelsk, Murmansk |
| Capitals of Subjects of the <i>RF</i> (regional capitals) – 81 cities | Knowledge centers: Archangelsk, Kaliningrad, Yekaterinburg, Kazan, Rostov, Krasnoyarsk, Vladivostok, Yakutsk. |
| | Touristic centers: The Golden Russian Ring |
| | Resort centers: Sochi, Anapa |

Regional capitals form an initial spatial network which more or less embraces all territory of the RF. They are the most important cities on the national scale. Actually, there are eighty-one regional capitals (NB. Moscow and Saint-Petersburg are capitals of the Subjects of the RF and independent Subjects of the RF simultaneously). These capitals have a main role in terms of dynamics and socioeconomic development in Russian regions. Thirty-eight percent of all Russian population, representing more than fifty-one percent of all urban inhabitants, live in regional capitals. In fact all twelve Russian cities with population over one million residents are regional capitals. As a matter of fact, this group of cities have two main strategic features. The first one is a vantage economic-geographical place and the second one is a high industrial potential. They take place in key sectoral and territorial structure of Russian economy. For example, Novosibirsk and Tyumen have highly strategic location. They are two main cities in Siberia and they are situated along the main transportation hub – Trans-Siberian Railway. Yekaterinburg is main city in Ural. Kazan, Samara, Volgograd, all of them have a strategic economic location at the intersection of main transport infrastructure. Consequently in these cities significant and sometimes overwhelming part of economic, financial, scientific, educational, social and infrastructural capacity of a whole region are focused. Moreover these capitals also concentrate organization of the tertiary sector, acting as a region-wide medical, educational, cultural, banking, and other centres, while being also major transport hubs. In other words, all these advantages make them a real engine for country's growth. Hence they are nodes of the settlement pattern and provide the territorial, economical, and cultural cohesion inside the regions.

Although regional capitals have common thread; in the meantime, they are deeply various in a case of population, level of economic development, attractiveness for people. For example, the smallest regional capital Anadyr (Chukchi Peninsula, Far East *FD*) accounts only 0.013

million people, in contrast Moscow population is 11.551 million people. Furthermore ranksize analysis among regional capitals has revealed a lot of capitals with a small population also. This fact is a result of rapid country urbanization during Soviet period. Birobijan, Kizil, Elista are absolutely new cities, they have existed on the 'empty' place due to support a strategic concept of Soviet Union spatial development.

In spite of regional capitals can be considered as points of attractiveness, there is also population decline in thirty-eight from eighty-one regional capitals. The biggest loss from 2002 to 2010 was in North-Caucasian FD. Nazran has lost around twenty-five percent of its population, and Nalchik has lost more than eleven percent (11.5%) during the same period. At the same time eight from eighteen (44%) regional capitals in Central FD have lost from two to five percent of their population. Among them are Tula, Ivanovo, Kostroma, Orel, Tambov, Yaroslavl, Kaluga, Bryansk. It means that in Central FD regional capitals go under to strong competition with Moscow. In Volga FD eleven from fourteen regional capitals have lost their population. In comparison with Central FD this decline is not significant; the most capitals lost their population in interval from 0.1 to 2%; for instance, Penza has lost 0.12%, Saransk has lost 1.9% of its population. However the shrinkage of regional capitals in Volga FD has the same cause with Central FD; yet even regional capitals are not valid to struggle for human resources against Moscow. More stable situation in Siberia and Ural. In these districts only Irkutsk and Kurgan have population decline. In other words, the regional capitals which are staid aloof from Moscow may retain their population more successfully than Moscow's neighbours.

The second classification group is based on various strategic functions of cities. Stop at only one of them - the single-industry cities (in Russian they are named monogoroda or monocities). Many of Soviet Russian cities were developed around a major industry (*e.g.* mining, oil, machine processing, etc.). Quite frequently, these industrial enterprises formed the heart of the city, providing not only jobs for people, but also a service sector (health, education, heat, sewage, electricity). These cities were in effect built to serve the industrial enterprises. (Urbanization Knowledge Platform, 2011). In market conditions these type of cities are another actual problem for Russian economy as well as for Russian spatial development. According to different criteria, there are from 150 to 700 single-industry towns in Russia (Zubarevich, 2005, Lubovnii, 2004). In 2009 Russian Government has developed a Federal programme which is aimed for supporting single-industries cities. According to official statistic now there are 335 mono-cities in the *RF*.

Table 4. Distribution single-industry cities among Federal Districts.

| Federal District | Amount of the Subject of the <i>RF</i> | Amount of single-industry cities | Population, thousands people | |
|------------------|--|----------------------------------|------------------------------|--|
| Central | 13 | 72 | 2676,57 | |
| North-Western | 7 | 41 | 1047,98 | |
| Southern | 4 | 10 | 749,11 | |
| North-Caucasian | 1 | 4 | 219,69 | |
| Volga | 12 | 87 | 4286,37 | |
| Ural | 5 | 43 | 3323,43 | |
| Siberian | 8 | 53 | 3143,25 | |
| Far-Eastern | 5 | 25 | 410,75 | |
| Total: | 55 | 335 | 15857,15 | |

Around sixteen million people live in Russia's single-industry towns. The list of this type of cities includes three regional capitals as well, among them are Tver, Lipetsk, Astrakhan and a number of major industrial locations, such as Cherepovets, Tolyatti, Vorkuta, and Nizhnii Tagil. At the same time more than eighty-five percent of single industry towns have less than 100,000 residents. However, Russia is characterized by a significant number of large and extra large cities that are at the same time single-industry cities (Zemlyanskii, 2011).

Table 5. Size and population of single-industry cities

| Cities' population thousands people | 500- 1000 | 300-500 | 100-300 | 50-100 | 20-50 | 5-20 | up to 5 | Total |
|-------------------------------------|--------------|----------|----------|---------|----------|----------|---------|----------|
| Amount of cities | 5 | 3 | 24 | 49 | 96 | 110 | 48 | 335 |
| Amount of inhabitants | 2779,361 | 1192,002 | 3851,608 | 3398,89 | 3203,742 | 1288,532 | 142,879 | 15857,15 |

Many of these cities faced ever increasing population decline. The total population of Russia's single-industry towns has declined by 1.1 million people in eleven years. The population has decreased in 183 single-industry towns. Some of them lost even more than one third of their population. For instance, Vorkuta has lost 36% of its population, Inta, 40%, and Raichikhinsk, 50% (Zemlyanskii, 2011).

Previous analysis has revealed a shrinking tendency in many Russian cities; dwell on this urban trend. Seventy-two percent of Russian cities have lost their population in 2010 in comparison with 2002. Among 1041 analyzed cities 750 of them are shrinking. The level of decline is varied in different types of cities as well as different parts of Russia have different

declining rate. Fifteen Russian cities have lost more than thirty percent of their population. Eighty percent of cities with population less than 50,000 have lost their population. The shrinkage level of Russian cities is represented in the Table 6.

Table 6. Shrinking cities

| | The percentage of decline,% | | | | | | | |
|---|-----------------------------|---------------|--------------|--------------|-------------------------|-------|--------------|--|
| Type of the city | In Russia | more than 50% | 50% - 30% | 30% - 10% | less or equal 10% | 5-10% | less than 5% | |
| All types of cities | 750 | 1 | 14 | 165 | 570 | 307 | 263 | |
| Cities with population of one million or more | 2 | | 0 | 0 | 2 | | 2 | |
| The largest cities (500 000 – 1000000) | 8 | | 0 | 0 | 8 | 1 | 7 | |
| Large cities (250 000 – 500 000) | 18 | | 0 | 1 | 17 | 4 | 13 | |
| Big cities (100000 – 250000) | 53 | | 0 | 5 | 48 | 18 | 30 | |
| Middle cities (50000- 100000) | 90 | | 2 | 10 | 78 | 35 | 43 | |
| Small cities (less than 50000) | 579 | 1 | 12 | 149 | 417 | 249 | 168 | |
| Including (10000- 50000) | 440 | 1 | 11 | 100 | 328 | 188 | 140 | |
| Including (less than 10000) | 139 | | 1 | 49 | 89 | 61 | 28 | |

Instead, only twenty-eight percent of cities have increased their population from 2002 to 2010. Nine cities with more than one million inhabitants have added 1,652,286 people; it is around one percent of all urban population. But the lion's share of it belongs to Moscow. Its population has increased more than 11% and it is 1169.13 thousands people. That is around seventy percent of all population growth in this group of cities.

As we have found the shrinking tendency covers all types of cities, further make an analysis the level of shrinkage around the country. According to official statistical information only in two Federal Districts (Central and North-Caucasian) we can observe the growth of urban population. For example, in Central FD urban population growth accounts around three percent (+2.9%), however in fact only three from eighteen regions of Central FD have increased their population. There are Voronejskaja oblast +1.1%; Belgorodskaya oblast +2.7% and Moscovskaja oblast (without Moscow) + 8.2%. In the meantime the growth in Central FD is formed mainly by Moscow city (+ 11%) and Moscow region. There is a population reduction in all others Subjects of the Central FD: from -1.1% in Kalugskaya oblast up to -9.7% in Tulskaya oblast. Simultaneously there is substantial decreasing in rural

population which accounts minus six percent. For example, only Kurskaya oblast has lost around eighteen percent (17.8%) of it rural population. On the contrary, there is a concurrent process of rural population growth and urban population decline in Tulskaya, Vladimirskaya and Ivanovskaya oblast (regions).

In North Caucasian FD we observe growth of both urban and rural population. But there are differently directed tendencies inside this FD. For example Dagestan has more than twenty percent (22.2%) population growth; instead of in Ingushetia we observe twenty percent of population loss. However in all others Federal Districts there is a hard decline of urban population. In the North-West the highest outflow of population has had Murmanskaya oblast (-10.2%). Pskovskaya oblast has lost twenty-two percent of rural population. In South FD only in Krasnodarskaya oblast we can observe the slight increasing of urban population (+0.9%). Furthermore there is a lost of population in all Subjects of Volga FD. The average rate of decline is -3.9%. Only Tatarstan Republic has increased up to +2.3% due to Kazan (the regional capital).

Ural has a different directed population trend among their regions. In some regions we can observe a significant urban population inflow. For instance, in Tumenskaya oblast population growth accounts plus five percent; there is the same situation in Hantimansiiski Autonomous Okrug. Mainly this increase is connected with gas and oil industry development. All big cities in Hantimansiiski Okrug are growing. The regional capital Hanti-Mansiisk has grown up to forty-eight percent. At the same there is a decline of population in all other regions: Kurgan, Sverdlovskaya and Chelabinskaya. In Siberian and Far Eastern Federal Districts we also see an overall declining of urban population.

In the modern period of Russian urbanization reasons of city shrinkage are various. Most significant from them are demographic and economic. On the one hand Russia faced with strong demographic crisis during last decades, but on the other the absence of clear urban development policy doesn't allow to create attractive accessible cities. Simultaneously with that, low quality of urban environment influences for outflow of population from medium and small cities.

We can draw a conclusion that Russian space is polarized because of Moscow is only strong zone of economic activities in whole the country. To stop unregulated growth of Moscow it is necessary to think about development of contemporary attractive cities all around the country and improving their urban environment. Some activities are needed to upgrade the urban

functions; among them could be: development of transport infrastructure, which allows shrinking a vast territory; defining strategic functions for different types of cities, which allow developing a labour market; as well as improving housing conditions and social infrastructure in cities.

On the whole, the contemporary urbanization and urban network development in the *RF* represents the ungovernable process. At the same time it is became more obviously for government and citizens that today unsatisfactory conditions of Russian cities are an obstacle on the path of modernizing the Russian economy. Up-to-date urban policy is implemented to help cities to cope with different problems; to raise their competitiveness and prosperity; to enforce their roles as centres of economic, social and cultural life; to provide citizens with high quality of life (Vlasova, 2010). That is why the development of Federal Urban Development policy, as well as creation a robust urban network should become a national priority.

In Russian case without changes in demographic situations, with lack of financial and management resources, the creation of large new centres and nodes, which will originate from market laws and forces, is unreal task. On the modern stage the logical solution for Russia is to keep and improve the existing urban patterns. Break it fragmentary or totally rebuild it is practically impossible and dangerous. In other words, the question is how to use the existing network in the interests of the country and residents, where to start and how to continue. Regional differences are too big for the Russian government to bridge the gap in wealth within a short period. Taking the advice of many experts, the Kremlin decided in the mid-2000's to direct investment primarily to regions worth subsidizing (Sievert et al., 2011). There were some initiatives for creation a network of touristic centres in Russia, a network of Federal Universities and innovation centres. But again it should be mentioned that creating this 'points of attractiveness' is a strongly political commitment and has nothing common with market nature. Furthermore parallel with it there was the unpublished (unofficial) government proposal suggests long-term resettlement of the Russian urban population in twenty urban centres. The main idea based on the promoting small cities (up to 100,000 inhabitants) has been deemed futile. Instead, resources for investment and modernization should be pooled (Sievert et al., 2011). As a matter of fact it is not easy and obvious choice. Russian cities are very different. They range from small depressed settlements to large successfully developing metropolitan area. Every type of city demands a special, in many ways opposing policy, a different distribution of powers between the federal, regional and municipal authorities. Certainly, for this decision a clear spatial network of Russian cities are demanded, as well as additional researches dedicated to socio-economic peculiarities of Russian post-soviet cities, including their functions and way of reciprocal action. Moreover, it is necessary to recognised different approaches and concepts for urban regeneration, to modernize and clarify the concept of specialized cities as well as the concept of central places in new market conditions.

Now the time is ripe enough to formulate National urban development policy that would see the redistribution of some powers from the federal level to region and municipalities, changes in legislation and priority development projects for major cities (Trapkova, 2012). Last years the Russian government has taken a number of initiatives to boost policy agenda for urban development. Indeed the main problems of Russian cities were discussed during First Urban Forum in Moscow on December 2011. The most important and disputable issues were the necessity to understand the role of Russian cities in the economy, the mechanism for creation a good and liveable environment in Russian cities and also approach for avoiding a transport collapse which many cities can meet in close future. Meanwhile in reality there is no any official document conducive to formation of National urban development policy.

The local government in Russia has quite limited means to pursue any sort of urban regeneration. In spite of municipalities have an executive power they are not able to switch cardinally without strong federal support. Usually, the size of the city is inversely proportional to the size of the budget (Perov, 2008). Often a federation constituent entity is responsible for three fourths of the city budget. Such administrative structure requires excellent mutual understanding as well as smooth interaction between the federal, regional and municipal authorities that is seldom realized in practice. Hence, there are numerous conflict situations and uncoordinated administrative decisions which evidently do not contribute to solving urban development problems.

CONCLUSIONS

To summarize we can single out some main peculiarities of Russian cities at the modern period. Firstly, transition from planned to market economy combined with collapsed of Soviet Union has considerably damaged urban network which were created for Soviet Union not for independent Russia. Taking into account that Soviet national urban system represented well-ordained central-place systems in which the centre of each administrative level (republic, region, city, etc) provided necessary goods and services to its lower-order administrative

levels, while remaining itself dependent on the allocation of resources and authorities 'from above' (Golubchikov, 2010); subsequently, after this system breakdown the most socioeconomic activities have been strong concentrated around only one city – Moscow. As a matter of fact, in market conditions all others country's cities turned out inefficient to became points of attractiveness both for people and for capital. Consequently there is a strong shrinkage tendency in all cities, all over the country.

The second is in spite of strong centralized economy in Russia the centralized (Federal) urban development concept is absent. Now Russian cities have a protracted period of transition from industrial to post-industrial cities. If in the past cities were planned in a top-down approach, after the shift from the centrally planned system, urban development was largely ineffectual or absent altogether. With no tradition of locally driven planning, local authorities faced the challenge of having to learn how to manage cities virtually overnight (Perov, 2008).

Next item is a weak and poor transport infrastructure. Although currently transport infrastructure is considered in the *RF* as an essential condition for economic growth, as well as enhancing the level of interregional economic cooperation (Kashbrasiev *et al.*, 2011); even so, existing transport infrastructure doesn't have a sufficient network of interregional main line and saves outmoded star-structure in European part of Russia and a very poor infrastructure in Siberia and Far East.

Accordingly above mentioned peculiarities of Russian cities and based on an analysis of current government initiatives we can make some conclusions. Firstly, for improving situation around Russian cities it is necessary to formulate Federal urban development policy that defines priority of growing points (Trapkova, 2012). Besides, to break mono-centred situation poly-central clusters of development should be developed in a country's territory (Blakely, 2012). At the same time around growing points it is necessary to create developed peripheries based on the improvement interurban transportation. Meanwhile, modern and efficient transport infrastructure should be created within and between regions and cities. In other words the immediate urban development task for Russia is the salvation of lost cities; while the strategic aim is the creation of a transport infrastructure backbone (Lezhava, 2012). Last but not the least, powers and resources have to be transfer to the city and regional level with simultaneously creation modern education programs for city managers and urban development specialists. As Eduard Blakely (Honorary professor of Urban Policy at Sydney University) suggested: "The first task for Russia is to start with international help to build cities and at the same time it has to learn how to manage economics ups and downs, not all

cities will succeed. Resilience, the ability to adopt and to learn, guarantees sustainable development for Russian cities" (Blakely, 2012).

Finally, it is important to take into account that Russian cities would have grater possibilities of regenerating themselves in the futures if the government proposed a clear 'game directives' about main directions and priorities of national urban development.

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