

Polynev, Andrey

Conference Paper

Comparative competitiveness of Russian regions: the main factors and modern trends

54th Congress of the European Regional Science Association: "Regional development & globalisation: Best practices", 26-29 August 2014, St. Petersburg, Russia

Provided in Cooperation with:

European Regional Science Association (ERSA)

Suggested Citation: Polynev, Andrey (2014) : Comparative competitiveness of Russian regions: the main factors and modern trends, 54th Congress of the European Regional Science Association: "Regional development & globalisation: Best practices", 26-29 August 2014, St. Petersburg, Russia, European Regional Science Association (ERSA), Louvain-la-Neuve

This Version is available at:

<https://hdl.handle.net/10419/124374>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.

Comparative competitiveness of Russian regions: the main factors and modern trends

The study presents the results of multifactorial integral evaluation of the competitiveness of economics of regions (the Federal Districts and subjects of the Russian Federation). Regional competitiveness is seen as actually implemented competitiveness in real market conditions, from a perspective of practical implementation in the current economic activity of the entire complex of competitive advantages and limitations of economic growth of regions. This approach to definition is conceptually different from the content interpretation in other analytical studies characterizing it exceptionally as a potential competitive ability.

The competitiveness of Russian regions as well as regions of other countries is based on the competitiveness of key targeted event. Such corporate activities determines the regions specialization, provides the major part of tax revenues in the consolidated regional budgets and plays a key role in the formation of household incomes.

An important feature of the assessment of competitiveness of regions in this study is a priority not only achieved its comparative level of characteristics, but also their current dynamics. At the same time comparative level and dynamics of each of the assessed components of competitiveness of regions have the same weight in the structure of its integral estimation. This assessment of the regions is carried out on the basis of the calculation of the integral index of competitiveness, which allows comparing its current level not only with other regions but also with average Russian background.

At the same time, if the relative level of the main indicators of competitiveness, characterized by a *static index* reflects mainly the impact of sustainable regional factors, including competitive advantages of regions, the dynamics of these partial indicators generally reflects not only the regional and macroeconomic factors, but also the factors of change in the conjuncture in the world commodity markets.

Integral index of competitiveness of regions synthesizes assessments due to the most important components (factors), including the overall effectiveness of the regional economics, the level of real income of the population, investment activity of private investors, the level of small enterprise development, the current financial standing of the enterprises, the level of activity of enterprises in the international commodity markets, the level of fiscal capacity of the regions, the innovative activity in the regions.

For practical calculations for each component of the regional competitiveness the most representative indicator based on the primary data of the statistical reporting on regions of Russia was defined. The results of the integrated assessment of competitiveness of the economics by Federal districts in 2011 and 2013 are presented in table 1.

Table 1 – Indicators of the complex integrated assessment of the competitiveness of the economics of Federal districts of the Russian Federation in 2011 and 2013

Federal District	2011				2013			
	Integral index	Rank (position)	Static index	Rank (position)	Integral index	Rank (position)	Static index	Rank (position)
Russian Federation	0,367		0,327		0,394		0,311	
Central Federal District	0,417	2	0,425	2	0,469	1	0,447	2
Northwestern Federal District	0,341	3	0,347	3	0,427	3	0,396	3
Southern Federal District	0,220	7	0,189	7	0,376	6	0,217	7

North Caucasian Federal District	0,141	8	0,089	8	0,323	8	0,097	8
Volga Federal District	0,266	5	0,264	5	0,391	5	0,290	5
Urals Federal District	0,422	1	0,435	1	0,419	4	0,467	1
Siberian Federal District	0,244	6	0,211	6	0,357	7	0,218	6
Far Eastern Federal District	0,333	4	0,295	4	0,448	2	0,322	4

The results of the calculations show a significant and stable enough differentiation of current state of competitiveness of Russian regions. However particular large differences are marked by complex of static indicators of regional competitiveness.

The highest static index of competitiveness for the period from 2011 to 2013 is marked for economics of the Central, Urals and North-Western Federal Districts. Against this background, stable extremely low level recorded in the North Caucasus, Southern and Siberian Federal Districts. It is also important to note the relatively high overall level of competitiveness of economics of the Far Eastern Federal District, achieved in recent years.

Especially significant gap in the level of regional competitiveness is observed among the regions-subjects of the Russian Federation (tables 2 and 3). On the one hand, the leading position is occupied by the largest economic centers of the country, the cities of Moscow and St. Petersburg with a high proportion of the service sector, a number of industrially developed regions of the Central, Volga and Urals Federal Districts, and also some regions of the Siberia and the Far East, specialized on the production of hydrocarbons and nonferrous metals.

At that it is important to note a significant feature of the results of the integrated assessment of regional competitiveness in 2013. Ten subjects of the Russian Federation with the highest parameters of the Integral index of competitiveness have also the highest values of static index. It means that within the past year changes in the competitiveness of the economics of the leading regions had absolutely no effect on their current position. The most competitive regions of Russia confirmed the stability of their position in comparison with other regions of the country, which is important for potential investors.

Table 2 – Indicators of the complex integrated assessment of competitiveness of economics of the ten subjects of the Russian Federation with the highest current level in 2011 and 2013

subject of the Russian Federation	2011				2013			
	Integral index	Rank (position)	Static index	Rank (position)	Integral index	Rank (position)	Static index	Rank (position)
Sakhalin Oblast	0,669	4	0,692	4	0,719	1	0,772	2
Moscow	0,749	3	0,792	2	0,705	2	0,799	1
Khanty-Mansiisk	0,782	2	0,800	1	0,588	3	0,718	3
Yamalo-Nenets autonomous district	0,810	1	0,789	3	0,587	4	0,692	4
Saint-Petersburg	0,448	7	0,514	6	0,526	5	0,516	6
Nenets autonomous district	0,552	6	0,646	5	0,523	6	0,524	5
Magadan Oblast	0,297	22	0,342	14	0,455	7	0,394	10
Chukot autonomous district	0,567	5	0,505	7	0,451	8	0,456	8
Samarskaja Oblast	0,267	25	0,319	19	0,446	9	0,414	9
Republic of Tatarstan	0,372	11	0,449	8	0,444	10	0,461	7

On the other hand, the extremely low level of the current competitiveness of the economics is observed in several regions of the European part of Russia, in republics of South of the European part of Russia (especially the North Caucasus), in some border regions of the

Southern Siberia and Far East. These regions have low overall levels of socio-economic development, poorly diversified economic structure and the most acute problems in the sphere of employment. Moreover, this situation in these regions is stable.

At the same time, some regions of the Russian Federation, which borders with the countries of the European Union, including the Leningrad Oblast and Republic of Karelia, which are fairly advantageous geo-economic position was included into number of regions with extremely low competitiveness. However, there are significant differences between these two regions.

In the Leningrad Oblast, where we can see a high proportion of service sector in the structure of the economics, static indicators of competitiveness as a whole are still relatively high, corresponding to their average level in Russia. However, in the Republic of Karelia, which specializes in the branches of the forest sector and nonferrous metallurgy, where relatively low integral level of regional competitiveness is maintains, there are also extremely low static indicators during the whole analyzed period.

If in 2011 integral index of competitiveness in this region was 0,193 (static index was 0,146), in two years the increase of its value to 0,279 observed at very low overall level of static parameters of competitiveness of economy (0,131).

This situation inevitably raises the question of the need for further structural changes in the economics of the mentioned regions, improve the efficiency of their specialization with regard to the intensification of trade and economic relations with the countries of the European Union.

Table 3 – Indicators of the complex integrated assessment of competitiveness of economics of the ten subjects of the Russian Federation with the lowest current level in 2011 and 2013

subject of the Russian Federation	2011				2013			
	Integral index	Rank (position)	Static index	Rank (position)	Integral index	Rank (position)	Static index	Rank (position)
Republic of Kalmykia	0,086	82	0,023	83	0,253	83	0,018	82
Kabardino-Balkar Republic	0,105	78	0,050	81	0,266	82	0,044	78
Karachay-Cherkess Republic	0,141	77	0,071	78	0,267	81	0,054	77
Jewish autonomous region	0,180	56	0,132	59	0,269	80	0,087	75
Republic of Tyva	0,095	81	0,049	82	0,277	79	0,016	83
Leningrad Oblast	0,340	17	0,318	20	0,279	78	0,308	22
Republic of Karelia	0,193	48	0,146	54	0,279	77	0,131	65
Republic of Altai	0,149	73	0,111	71	0,282	76	0,035	80
Chechen Republic	0,076	83	0,072	77	0,285	75	0,027	81
Republic of Ingushetia	0,147	74	0,065	79	0,295	74	0,040	79

The trend analysis of regional competitiveness in recent years reflects the stable nature of the serious problems in the competitive development of the economics of the absolute majority of Russian regions.

Weak competitive positions of a considerable part of Russian regions are cause by not only their lack of current economic potential, but also by low efficiency of its use in economic activities. This becomes even more important with current unstable socio-economic situation of almost all the Russian border regions.

This situation is absolutely confirms the fact that the existing potential of cross-border economic cooperation of business structures of the Russian regions with the regions of neighboring countries is used very loosely. In this context, great importance will be the expected expansion of trade and economic relations with the countries of the Asia-Pacific region. First of

all, generally favorable prospects for the strengthening of competitive positions can be predicted in the regions, bordering with China, which is connected also with the projected construction of the bridge across the Amur River in the Jewish autonomous region.

At the same time, the growth of competitiveness of economics of the Russian Federation regions and their favorable competitive positions in the long term, to a significant extent will be determined by the progress of state policy aimed at innovative modernization of the Russian economics and development of new branches of activities.