Comprehensive development of the economy of urban and rural areas in Russia

Elena Petrikova¹, Iuliia Artamonova^{2,}, Nikita Morgunov² and Nikolay Tsveatcov³*

¹Plekhanov Russian University of Economic, Stremyanny lane, 36, 117997 Moscow, Russia

²Penza State University of Architecture and Construction, Germana Titova Str., 28, 440028 Penza, Russia

³Academy of Sciences of Moldova, Institute of political and legal researches, Bulevardul Ștefan cel Mare și Sfint 1, 2001 Kishinev, Moldova

Abstract. The task of comprehensive development of the economy of rural and urban areas in the regions of Russia to create socio-economic conditions for development in order to reduce population migration, ensure sustainable development of the territory, a high level and quality of life of the local population - is currently one of the priorities for the Russian economy. The study of international experience has shown that the comprehensive development of territories must begin with the construction of infrastructure that allows creating conditions for a high-quality standard of living of citizens. Then it is necessary to form the sectoral structure of the economy of the territory, which should be as diversified as possible in order to stimulate high growth in the level of income of citizens. The article discusses the principles of developing programs for the comprehensive development of the economy of the territory, the size and sources of funding for such events at the federal and regional levels, as well as the stages of implementation of measures, the reasons for the emergence of risks and restrictions that are advisable to take into account when creating comprehensive development programs, the effects at various levels from their implementation. The results obtained can be used in the implementation of the spatial strategy of Russia, taking into account the territorial and sectoral specifics of regional development.

1 Introduction

It is believed that sustainable development issues and the setting of the Millennium Development Goals first entered the agenda 20 years ago at the UN General Assembly. In fact, this happened much earlier, when economists tried to develop a set of measures aimed at the optimal use of limited material and human resources through the use of new technologies to preserve biological and physical natural systems within a dynamically developing world economy [1].

The sustainable development of Russian territories is currently aimed not only at the optimal economically efficient use of limited material and human resources and technologies, but also at increasing stability and ensuring the integrity of biological and physical natural

* Corresponding author: clusterwings@mail.ru

systems, preserving the local population on the territory, and stimulating the development of the local economy. The task of comprehensive development of the economy of rural and urban areas in the regions of Russia to create socio-economic conditions for the development of infrastructure and comfortable living of local citizens is currently one of the priority tasks for the Russian economy.

The main reason for the emergence of the task of the comprehensive development of rural and urban areas is the growth of population migration (the outflow of young people is especially evident) and a decrease in the level of development of the territory, which demonstrates a low level and quality of life of the local population. This is especially true of territories remote from large agglomerations, which, having a lower development potential in financial and socio-cultural terms, lack the development of infrastructure, have a unidirectional narrow-sectoral specialization of the economy and, as a result, limited human potential due to the growth of the outflow of the able-bodied population in large agglomerations.

The reasons for the outflow of the population are called the search for territories for living with a higher development potential. As a rule, highly mobile young people move to places with the possibility of earning more income, prestigious modern high-level education, providing conditions for career growth, self-realization, a comfortable living environment, and personal growth. The COVID-19 coronavirus pandemic has changed little and practically did not reduce these processes.

Therefore, in order to comprehensively develop the economy of the territory, it is advisable:

- to diversify the sectoral structure of the economy with an emphasis on the emergence of new specializations with high added value in regional economies, business cooperation, the construction of new high-tech industries and the development of clusters, spatial development, as well as the introduction of new technologies in the construction of infrastructure, new comfortable housing for the population and the improvement of territories;

- to create an environment for the personal and professional development of local citizens, as well as comfortable conditions for an interesting, eventful life in regional centers with a large number of communication links with the world professional community, provide opportunities for high-quality education in specialties new to the regional economy;

- to develop a set of measures to involve citizens and the business community in the development of plans and programs for the comprehensive development of local territories (including on the principles of proactive budgeting), the formation of a stable level of income in the regional economy, ensuring a high level and quality of life of the local population.

Creation of comfortable conditions for involving citizens in entrepreneurial activity is possible with the use of methods and tools for accelerating projects. So, at present, there are acceleration programs in the regions of Russia related to social entrepreneurship, creative industries, the development of tourism potential and the diversification of regional economies. However, it should be noted that acceleration programs in Russia have not yet fully implemented the best world practices of applying the cluster approach in creating an industry community in the region. This is due to the fact that these programs do not set the task of creating a new environment as an ecosystem for the development of residents of a village or city, since all efforts in the regions are not yet aimed at:

- reducing the outflow of the population and creating new conditions for its inflow from nearby regions,

- creating a comfortable environment for the local population,

- development and self-realization of the human potential of citizens,

- increasing the competitiveness of creative and social businesses through partnerships and combining competencies,

– establishment of new social and economic ties, development of urban economies.

European and Russian experience shows that a favorable business environment is formed, among other things, on the basis of creative spaces, which are art centers, art quarters, contemporary art centers, even simply multifunctional centers in cities or houses of culture in rural areas. Thus, according to the study of the European Panorama of Clusters and Industrial Change [2], there are 2,900 industrial clusters in Europe, which provide about 19% of jobs in Europe and 22% of wages in Europe. Industry clusters create 2.4 times more fast-growing startups than elsewhere.

Fig. 1. Trends in the formation and transformation of industry clusters (Mika Naumanen, 2019) [2]

According to an analysis by the European Cluster Observatory, the creative industries employ about 15.043 million workers. The creative industries include business services, design, and journalism. Much smaller shares are occupied by music and video production. These industries are present throughout the entire value chain, customer-centric and helping to drive innovation in traditional businesses and transfer innovation from one industry to another.

The most interesting from the standpoint of adapting existing techniques to the Russian practice of creating creative industries are examples of creating clusters developing in Luxembourg, Denmark, Spain (Bilbao), and Great Britain.

In the CIS countries, the experience of Moldova in the development of creative industries is interesting. The country has created a textile cluster Sorintex (fashion design), which is part of the Romanian cluster association Clustero, as well as a creative cluster called a creative hub and located throughout Moldova [6].

2 Methods of comprehensive development of modern territories

According to Rosstat, about 74.4% of Russians live in Russian cities. Since the 2000s, investments in fixed assets have been increasing mainly due to the acceleration of the growth rate of housing construction in large metropolitan areas and agglomerations, which, together with the growth of household incomes and the formation of effective demand, increased the market affordability of housing for urban residents. Thus, at present, every second inhabitant of Russian cities, according to the Strelka Design Bureau, lives in a typical monotonous urban development not adapted for evolutionary development. Until now, typical buildings in rural areas have not existed, and every citizen had the opportunity to erect a residential building according to his architectural design near economically developed rural areas. In this regard,

the need arose to develop a methodological guideline for the comprehensive development of territories, uniform for all territories. This is how the Standard for the Comprehensive Development of Territories, developed by the Russian Ministry of Construction and DOM.RF together with the Strelka Design Bureau, appeared, which is more suitable for the development of urban areas than rural ones.

The main goal of the Standard is to introduce into Russian practice new approaches to the comprehensive development of territories, which launch the process of socio-economic development and stimulate a new level and quality of life in the regions. [3].

The methodological task of creating the Standard is to develop recommendations for shaping the appearance of built-up areas (including preserving historical buildings) and developing new ones, improving the regulatory framework governing urban planning and architectural standards for the design of building construction for the comprehensive development of territories. The economic task of creating the Standard is to improve the quality and efficiency of the processes of residential and multifunctional development, reconstruction or improvement of territories, the transition of regions to modern models of development of territories.

Methodological support with the help of the Standard for the process of comprehensive development of territories creates the preconditions for the efficient distribution of transport, telecommunications and engineering infrastructure and optimal use of land resources, compact development of territories and resettlement of the population.

In order for the territory and its economy to begin to develop intensively, to form a favorable entrepreneurial environment resistant to economic and demographic changes, it is necessary to diversify the sectoral specialization of the territories by creating offers on the market for products with high added value, offers for creative and creative services, based on its containing new technologies with higher productivity.

This thesis is confirmed by surveys of young people in the regions. According to regional surveys, about a third of the young population showed an interest in commercializing the results of their creative activity, but three quarters of them noted that they lack the skills and knowledge related to entrepreneurship, as well as psychological readiness to do business. In addition, 1/2 of young people indicated their readiness to participate in entrepreneurial projects, provided they work in a team, obtain the necessary competencies and have mentoring support.

In the regions, it is young people who create conditions for enhancing social entrepreneurship, building competencies in this area, developing infrastructure to support business, including entrepreneurship support funds, social innovation centers, etc. It is also worth noting that most citizens have «social entrepreneurship» is associated with charity work, work with inclusion, comprehensive social services, which means that it does not imply high margins and profitability.

Therefore, for the development of the entrepreneurial environment and citizens' initiatives, it is advisable at the regional level to also create permanent platforms for exchange of views, communications, and increasing competencies. This will ensure the commercialization of various projects, meet the effective demand for the region's products, provide space for communications and development, and make the provincial city a place where young people want to stay in order to live, develop and raise children.

3 Results and Discussion

The study of international experience has shown that for the comprehensive development of the territorial economy, it is necessary to start with the construction of transport, engineering, telecommunications, social and other infrastructure, which allows creating conditions for a high-quality standard of living of citizens, and then to form the sectoral

structure of the territory's economy by choosing the most competitive industries, technologies , productions in order to create sustainable economic growth in the territory.

Sources of funding for programs for the comprehensive development of the economy in Russia are both federal and regional state programs in sectoral areas of development, as well as national projects of the Russian Federation. For the comprehensive development of urban areas at the federal level for the development of a comfortable urban environment, as well as to provide affordable and comfortable housing and communal services to citizens of the Russian Federation, the Ministry of Construction of Russia, as part of its state program, finances measures to create conditions for providing high-quality housing and communal services to citizens of Russia, as well as the formation of a comfortable urban environment and the improvement of urban areas.

Financing of measures for the comprehensive development of the economy of single-industry towns is provided within the framework of the state program for the comprehensive development of single-industry towns of the Ministry of Economic Development of Russia, which is currently being coordinated with the federal executive authorities. For the comprehensive development of rural areas of the Russian Federation at the federal level, there is a state program of the Ministry of Agriculture of Russia, within the framework of which measures are provided for financing the modern appearance of rural areas, improving the village and financing housing programs in the countryside. In addition, within the framework of the sectoral state programs of the Ministry of Health of Russia, the Ministry of Education of Russia and the Ministry of Sports of Russia, activities are financed to create social (preschool and school educational institutions, medical equipment, ambulances) and sports infrastructure (sports facilities and sports grounds, sports equipment and equipment). for the local population in cities and villages of Russia. For the development of telecommunications infrastructure within the framework of the national project "Digital Economy", funds are provided for the creation by the end of 2021 in each settlement with a population of 250 to 500 people access to the Internet. Transport infrastructure in urban and rural areas is financed under the national project “Comprehensive plan for modernization and expansion of trunk infrastructure” and the state program “Comprehensive development of rural areas”, respectively.

A set of measures for the creation and development of infrastructure can be implemented only if the territory has human resources, supply and demand for which are formed under the influence of the following macro-factors (Fig. 2).

Fig. 2. Factors determining the dynamics of supply and demand for labor resources of the territory [4]

The economy of the territory should be as diversified as possible in order to stimulate high growth in the level of income of citizens. For this, a program for the comprehensive development of the territory's economy is being developed. The following stages of drawing up a comprehensive plan for the development of the territory are distinguished (Table 1).

Table 1. Stages of drawing up a program for the comprehensive development of the territory

Stages	Stage description
1 stage	Mobilization of the team to draw up a program for the comprehensive development of the territory and the creation of an "administrative resource" for effective and coordinated work
2 stage	Formation of an information database describing the financial and economic activities of economic entities and the population of the territory
3 stage	Development of a program for the comprehensive development of the territory's economy, which includes a system of goals and measures for its implementation, sources of funding at the federal and regional levels, program risks and ways to minimize them
4 stage	Calculations for resource provision and the expected effect from the implementation of the program
5 stage	Formation of a management system, monitoring and control over the implementation of the program, including fixing obligations in the passport of the program, preparation and maintenance of agreements, registration of participation of interested parties

It is advisable to monitor and analyze the implementation of the implementation stages of the program's activities by analyzing:

- 1. progress and stage of implementation of program activities;
- 2. deviations of the actual volume of implementation and financing from the planned indicators;
- 3. the impact of program activities on the socio-economic situation and the budget of the territory development program;
- 4. the possibility of adjusting the program.

It is worth noting that the program for the comprehensive development of the economy by the territory is a tool for managing the risks and restrictions of this territory as a single financial and economic complex. The reasons for the emergence of risks and restrictions that are advisable to take into account when creating comprehensive development programs are as follows (Fig. 3).

Fig. 3. Typical risks of complex development of the territory

Each risk can be assessed according to two main characteristics: the likelihood of its occurrence and the amount of potential damage. Promising directions for overcoming risks and solving problems of comprehensive development of territories can be the following:

- development of social partnership, increasing the competitiveness of creative and social businesses through partnership and combining competencies, stimulating increased implementation of citizens' initiatives;
- development of innovative forms of employment of the population, development and self-realization of the human potential of citizens, as well as the development of flexible forms of employment of the population on the basis of freelancing, agency and home work;
- development of public-private partnerships and formalization of the procedure for concluding concession agreements in the housing and utilities sector, transport, healthcare, education, telecommunications;
- attraction of funds from state programs and national projects for development for investment projects implemented in the territory and, as a result, diversification of the territory's economy, development of proactive budgeting;
- creation of new conditions for the influx of population from nearby regions, by creating a comfortable environment for the local population; establishment of new social and economic ties, development of urban economies.

4 Conclusions

Based on the results of the analysis of the theoretical and methodological base for the formation of regional programs for the comprehensive development of the territorial economy, the analysis of the needs of the residents of the regions in creating an entrepreneurial and creative environment as a platform for stimulating socio-economic development, the creation of the foundation of the program of comprehensive development plans, which underlies the concept of the successful development of territories the following conclusions were made. The creation of a program for the comprehensive development of the territory can become the basis for the formation of a new structure for the development of the economy of the territory and provide the interested citizens and the business community of the territory with a number of socio-economic effects.

The effects for the dynamic comprehensive development of the economy of a territory or region consist in the improvement of the territory, the development of social, telecommunication, transport, engineering infrastructure of the economy of the territory, which allows creating conditions for a high-quality standard of living of local citizens. They also consist in the appearance on the market of new competitive products, brands, services. Creation of an entrepreneurial space (cluster, ecosystem) for growing creative and social businesses, developing the creative potential of residents of the territory, filling the space with new projects, as well as promoting new products with high added value created by local entrepreneurs on the market based on the latest technologies and techniques, advertising umbrella brands regional businesses in foreign markets, along with activities to increase awareness and fill the brands of the region and territory with meanings - all this will diversify the sectoral structure of the regional economy.

The effects for cultural communities and youth consist in the commercialization of their creative business ideas and initiatives in various sectors of the economy by acquiring new skills and competencies, gaining access to consolidated orders of large companies in the region, entering the market of startups in the field of social entrepreneurship and creative industries, and also new foreign markets (including export).

Effects for regional business by identifying new areas of business development, receiving services on the principle of a "single window", creating creative clusters and socio-cultural ecological environment

The effects for educational institutions include ensuring the employment of graduates, increasing the competencies of teachers and students, interaction with business structures in

the region, popularizing creative professions, access to new methods, and commercializing projects.

References

1. Transforming our world: the 2030 Agenda for Sustainable Development, **41** (2015)
2. M. Naumanen, *European Panorama of Clusters and Industrial Change* (2019)
3. Standard for comprehensive development of the territory, <https://дом.рф/>
4. O. Kosorukov, E. Petrikova, S. Petrikova. Regional economy: theory and practice, **45** (2010)
5. M.J. Enright, Why Clusters are the Way to Win the Game? Word Link, **5** (1992)
6. I. Artamonova, B. Khrustalev, E3S Web of Conferences, **91** (2019)
7. A. Chernitsov, I. Artamonova, D. Osipov. E3S Web of Conferences, **91** (2019)
8. B.B. Khustalev, Z.B. Pakhalina, M.E. Spirin, Competitiveness in the Global World: Economy, Science, Technology, **8(3)**, 195 (2016)
9. V.N. Semochkin, Flexible development of the enterprise, Efficiency and budgeting (2000)
10. B.B. Khrustalev, Z.V. Pakhalina, M.E. Spirin, Competitiveness in the global world: Economics, science, technology, **7(2)** (2016)
11. B.B. Khustalev, A.A. Moiseeva, Competitiveness in the Global World: Economy, Science, Technology, **7(2)** (2016)