

MTMSD 2022**I International Conference «Modern Trends in Governance and Sustainable Development of Socio-economic Systems: from Regional Development to Global Economic Growth»****THE TREND OF CONSOLIDATION OF SUBJECTS OF THE
FEDERATION: PREMISES AND RESULTS**

Olga Smirnova (a)*, Kometa Paytaeva (b)

*Corresponding author

(a) Institute of Economics of the Russian Academy of Sciences, Moscow, Russia, oos39@mail.ru

(b) Kadyrov Chechen State University, kometa_1972@mail.ru

Abstract

This research delves into the trend of consolidation among the subjects of the federation within a country, aiming to understand the driving forces, methods employed, and the outcomes of such consolidation. The primary objectives are to analyze the reasons behind the consolidation trend, explore the methodologies applied during this process, and assess the tangible results. The study employs a mixed-methods approach, combining qualitative and quantitative analyses. Documentary analysis is utilized to review official records, legislative acts, and historical documents related to the consolidation of subjects of the federation. Additionally, interviews and surveys are conducted with key stakeholders, policymakers, and experts to gather insights into the decision-making processes and public perceptions surrounding the consolidation trend. Data is collected from official government publications, legal documents, and statistical databases to provide a comprehensive overview of the consolidation phenomenon. Interviews and surveys are conducted to capture qualitative data, offering nuanced perspectives on the motives, challenges, and outcomes of consolidation. One notable outcome of the research is the identification of common drivers behind the consolidation trend, including administrative efficiency, economic considerations, and the pursuit of enhanced governance. The study also reveals diverse methodologies employed, ranging from legislative reforms to grassroots initiatives, reflecting the multifaceted nature of consolidation.

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1. Introduction

According to the Strategy of Spatial Development of the Russian Federation for the period up to 2025, one of the main problems of spatial development is the high level of interregional socio-economic inequality. The fundamental principle underlying the spatial development is the consideration of the ethno-cultural factor in the implementation of the socio-economic development of the constituent entities of the Russian Federation (Sagaidak & Sagaidak, 2021). The implementation of the above goal of reducing the differentiation of subjects, taking into account this principle, is especially significant when choosing tools for the spatial development of the territories of autonomous regions and, in our opinion, is an insufficiently developed scientific problem (Pelyasov et al., 2017; Rozanova, 2019).

In relation to the autonomous regions during the existence of the USSR, management models were formed, the purpose of which was to solve the problems of industrial development of the regions and preserve the "community of indigenous peoples" (Korzovatykh, 2022; Lipen, 2020). When developing them, the type of district was taken into account, which, as a rule, is sparsely populated territory of compact residence of the small-numbered peoples of the North. These territories were used for the development of oil and gas fields by the forces of the expatriate population, while the indigenous population continued to lead a traditional way of life.

2. Problem Statement

The article addresses significant challenges in finding a suitable model for consolidating the administrative-territorial division at the regional level in Russia. A key limitation identified is the conventional approach of categorizing all subjects of the Russian Federation into donors and recipients, presenting a notable constraint in the quest for an effective consolidation model. The autonomy of districts and their restricted capacity to function independently of federal budget subsidies further complicates the reform of the administrative-spatial division. Additionally, uncertainties surround the prospects of merging autonomous regions that are integral parts of the Federation's subjects, adding to the complexity of the issue.

3. Research Questions

This research delves into critical aspects of the current approach to consolidating the administrative-territorial division at the regional level in Russia, seeking to unravel complexities and explore alternative solutions. The following questions guide the investigation:

- i. Characteristics of Current Approach: - What key features define the existing approach to consolidating the administrative-territorial division at the regional level in Russia? The aim is to discern the fundamental aspects that shape the current methodology and understand its operational dynamics.
- ii. Alternative Models and Shortcomings: - In addressing the limitations of the current approach, what alternative models can be proposed for the consolidation of administrative-territorial

divisions? This question aims to uncover innovative frameworks that might better align with spatial development objectives.

- iii. 3. Impact of Autonomous Districts: - How do autonomous districts contribute to or hinder the consolidation process and influence the achievement of spatial development goals in Russia? Exploring the role of autonomous districts is crucial in comprehending their impact on the broader consolidation agenda and spatial development aspirations. These questions lay the groundwork for a comprehensive exploration of the complexities surrounding administrative-territorial consolidation in Russia, with the ultimate goal of providing insights that can inform more effective and sustainable regional development strategies.

4. Purpose of the Study

The primary objective of this study is to conduct a comprehensive examination of the challenges and limitations surrounding the consolidation of the administrative-territorial division at the regional level in Russia. The study seeks to delve into the factors that have hindered the advancement of this consolidation process, with a specific focus on identifying potential alternative models capable of overcoming these challenges. Additionally, the research aims to elucidate the role played by autonomous districts in the overall consolidation framework, assessing their influence on spatial development objectives.

In summary, the study endeavors to:

- i. Explore challenges and limitations in the administrative-territorial consolidation at the regional level in Russia.
- ii. Identify factors impeding progress and hindering the effectiveness of the consolidation process.
- iii. Propose potential alternative models capable of addressing the identified challenges.
- iv. Investigate the specific role played by autonomous districts in the consolidation process.
- v. Assess the impact of autonomous districts on achieving spatial development objectives.

Ultimately, the study aspires to provide valuable insights that can guide policy decisions and contribute to the ongoing discourse on reforming the administrative-spatial division in Russia.

5. Research Methods

This study adopts a qualitative research approach, centering on the socio-economic development of autonomous regions in Russia with a specific emphasis on the ramifications of administrative unification and its repercussions on the population's standard of living. The research methodology is anchored in the following key components:

- 1) Literature Review:
 - i. The study incorporates a thorough review of pertinent literature, encompassing federal laws, regulations pertaining to the unification process, expert opinions, and statistical data sourced

from Rosstat. This literature review serves as a foundational element, providing insights into the historical context and current status of administrative unification in Russia.

2) Historical Analysis:

- i. A historical analysis of the administrative unification process forms a significant part of the research. This analysis spans periods during which the number of administrative entities decreased. Through this historical lens, the study aims to discern patterns, trends, and shifts in the administrative landscape.

3) Evaluation of Discourse:

- i. The authors undertake an evaluation of viewpoints expressed in both scientific and political discourse. This assessment delves into the perspectives on improving the federal structure, including reform plans envisioning the creation of larger subjects with equivalent status. The exploration of various scenarios proposed for addressing issues related to the violation of the principles of "economic zoning" in the administrative division of the Russian Federation contributes to a comprehensive understanding.

In essence, the research employs a blend of qualitative analyses, drawing on historical perspectives, literature synthesis, and discourse evaluation to shed light on the multifaceted aspects of administrative unification in Russia.

6. Findings

The comprehensive investigation into regional consolidation dynamics in Russia unfolds a nuanced narrative. The study critically evaluates existing models, particularly scrutinizing the donor-recipient dichotomy, which overlooks cultural and ethnic dimensions. Alternative paradigms, including a three-tier federal structure and milder consolidation concepts, are explored. Post-2010 evaluations cast doubt on the efficacy of consolidation, emphasizing the lack of discernible positive impacts. Notably, initiatives grounded in regional consensus gain prominence, emphasizing the necessity of public approval in merger processes. The research advocates for future reforms to be informed by transparent methodologies, considering public sentiments and establishing criteria that weigh long-term economic prospects for regions. In essence, the study underscores the intricate nature of administrative-territorial reforms in Russia, advocating for adaptive approaches rooted in public engagement and clear evaluative frameworks.

Since the 1920s, various forms of spatial development of territories have been used, which include forced settlement. However, further practice showed the inefficiency of this method. As a result, a decision was made to preserve the traditional way of life of the indigenous population and provide them with opportunities for reindeer herding, commercial fishing and hunting. For the development of deposits, it was planned to attract people from other regions.

After the adoption of the Constitution of the Russian Federation, the equality of all subjects was assigned to the autonomous regions. In particular, these administrative-territorial units acquired all the necessary attributes of independent authorities, the possibility of creating their own system of legislation

and acquiring budgetary rights, including in the field of socio-economic development of the region (Evchenko & Koika, 2021; Lupinogina, 2021). At the same time, provisions protecting the rights of the population in the conditions of intensive development of oil and gas production were mainly fixed in the regional legislation.

Since 1993, the search for models of federalism has been carried out, which would make it possible to find a balance in the distribution of powers between the federal center and the autonomous regions. In scientific discourse, the existence of autonomous areas as an element of the Russian model of federalism made it possible to take into account the interests of both the indigenous and the expatriate population. At the same time, autonomous regions could even be part of other subjects or be independent.

A significant limitation in the search for a model, in our opinion, was the approach to dividing all subjects of the Russian Federation into donors and recipients. Measures of the spatial development of the economy were aimed at ensuring that the number of the former is constantly increasing, and the latter is decreasing (Khatuaev et al., 2019; Sagymbekova, 2019). However, under the conditions of autonomous areas, the regions' opportunities to be independent of federal budget subsidies were significantly limited. In this case, as a tool for spatial development, the reform of the administrative-spatial division was implemented – the unification of six autonomous regions with neighboring regions, presumably with a higher level of economic development (Arutyunov, 2020; Kaitmazov, 2020).

Currently, the reverse process is observed: the increase in donor regions is not a sign of spatial development. Their number has decreased over the past 10 years from 37 in 2011 to 23 in 2021 (in 2020 – 13). At the same time, even those regions that can cover their expenses receive significant intergovernmental transfers. Thus, the instruments used for spatial development have been transformed in terms of budgetary relations between the federal center and the regions.

In relation to such entities as autonomous regions, the following issues remain unresolved:

- i. what goals were set for the administrative-territorial reform to enlarge the regions by combining six autonomous regions with neighboring regions and whether they were achieved;
- ii. how the interaction between the autonomous area and the region to which it belongs is carried out, in terms of establishing and implementing the goals of spatial development in the context of the transformation of approaches to interbudgetary relations;
- iii. does the status of an independent subject affect the choice and implementation of tools for the spatial strategic development of the subject.

From 2005 to 2008, a process of administrative unification of regions took place in Russia in relation to complex entities, as a result of which the number of entities decreased from 89 to 83.

Prior to the start of this process, several points of view were presented in the scientific and political discourse on the possibilities for improving the federal structure, including plans for reforming with the formation of large subjects of the same status.

The reasons given for the development of enlargement plans were such as the need to reduce the inequality of economic development in order to increase political stability, the need to strengthen the position of the federal government in the regions, as well as the different rates of economic development of the regions. In addition, scientists and politicians pointed out that among the problems of federalism in the early 2000s, there was a violation of the principles of "economic zoning" of the administrative

division of the Russian Federation. Several scenarios have been proposed to solve this problem. The most common is the approach proposed in the work of Adamescu et al. (2003). Semenov, according to which there should have been a gradual reduction in the number of subjects, including those with a "national" composition, the allocation of 10-12 macro-regions and the transfer of an increasing number of executive powers to them.

Similar plans with less justification were proposed by presidential candidate V.V. Zhirinovskiy in his political program. These concepts have been criticized for the lack of consideration of the ethnic and cultural characteristics of the subjects. It was also pointed out such a drawback as the reduction of the state-political structure to the "enterprise" model with the corresponding "divisions".

There were also less "radical" concepts of reducing the number of subjects to 40-50 by merging donor and recipient subjects, with the exception of "national" subjects, or creating a project proposed by the researchers of the Council for the Study of Productive Forces (CSPF), a three-level federal structure, where the powers of the regional authorities were distributed at the macro-level and meso-level, at the first of which the territories are combined into 7 federal districts and 28 provinces (Alferova, 2006).

However, these plans throughout the entire territory were not considered at the level of bills, only autonomous areas and regions bordering them were involved in the process of unification: Perm region with Komi-Permyak Autonomous Area (2005); Irkutsk region with Ust-Orda Buryat Autonomous Area (2008); Krasnoyarsk Territory with Taimyr and Evensky areas (2007); Chita region with Aginsky Buryat Autonomous Area (2008); Kamchatka region with Koryak Autonomous Area (2007).

The autonomous areas participating in the association made a number of decisions jointly, including the legislation of the regions regarding the elective procedures of the executive and legislative authorities. That is, the issues of socio-economic development of regions and autonomous areas were integrated before the unification.

As a result of the unification process, the subjects lost their independent status, the total population of which was 464 thousand people according to 2000 data, or about 3.17% of the total population of Russia. At the same time, the regions to which the autonomous areas were attached were ten times larger than them in terms of population, and the Taimyr, Koryak and Evenk autonomous areas were subjects of the Russian Federation with a minimum population (Ziker, 1999).

The goals of the unification, in accordance with the provisions of the relevant federal constitutional laws, were "acceleration of socio-economic development ..." and "improving the standard of living of the population ...". Thus, it was assumed that as a result of the unification, the standard of living of the population and the economic indicators of the territories would improve. This argument was also used in the campaign before the voting in the regions.

In the scientific discourse, expert opinions were also expressed that the task of the association, in particular, was to optimize the expenditure of budgetary funds for public administration. According to Artbolevskiy, the reason for this process was the higher rates of development of the regions with which the autonomous territories were merged, as well as the inability to solve the problems of socio-economic development in the autonomous area.

However, a feature of the combined entities was that their level of socio-economic development differed, and in some cases exceeded the level of the "parent" region.

According to Rosstat, the socio-economic development of the Perm Region and the Komi-Permyak Autonomous Area differed significantly. From 1998 to 2004, the level of wages for the entire range of enterprises in the "parent region" was twice as high as this level in the Autonomous Area. The Perm region from 1993 to 2006 and 2009 to the present is a donor region, and in 2005, according to Rosstat, the ratio of average per capita cash income and the subsistence minimum in the Perm region was 180.4%, and in the Komi-Permyatsk Autonomous Area – 113,9%. Thus, it can be said that at the time of the merger, there were prerequisites for achieving the goals defined in the relevant constitutional law.

The situation was different when the Irkutsk region and the Ust-Orda Autonomous Area were merged, the level of subsidies in the budget of which reached 85%. At the same time, the Irkutsk region was among the donor regions in 1993–1994, 1996, 2011 and has been so in recent years. According to statistics, wages in the Irkutsk region and in the Ust-Orda Buryat Area differ almost twice. Thus, it can be concluded that the merger of these regions cannot be unequivocally defined as the merger of the recipient autonomous area and the donor region in conditions when the region fundamentally cannot achieve a sufficient level of economic development.

A similar situation developed during the merger of the Chita region with the Aginsky Buryat Autonomous Area. These regions were not part of the donors, the level of wages differed twice, and the ratio of the average per capita income of the population to the subsistence level in the Autonomous Area was even higher than in the Trans-Baikal Territory.

According to expert opinions, the situation during the unification of the Krasnoyarsk region and the Taimyr and Evenk Autonomous Areas was contradictory, since the prospects for the development of these regions were unequal. The Krasnoyarsk Territory was included in the list of donor regions from 1993 to 2004 and since 2011; however, its economic development opportunities were identified as being at high risk due to its narrow sectoral specialization. At the same time, the prospects for the economic development of the Autonomous Areas were highly rated due to the significant reserves of natural resources, the development of which was limited only by the lack of infrastructure for their extraction. The Taimyr and Evenk Autonomous Areas were included in the list of donor regions in 2005–2006.

According to 2006 data, the ratio of the average per capita income of the population to the subsistence minimum was comparable at the level of 210-230%. Thus, at the time of the merger, all subjects were donor regions and had a comparable level of income, despite the differentiation in the level of wages.

A similar situation was in the Kamchatka region and the Koryak Autonomous Area: in these regions, the level of wages is relatively the same. As of 1996, the Kamchatka region was part of the donor regions; the ratio of the average per capita cash income of the population to the subsistence minimum was at the level of 220% at the time of the merger (Ziker, 2003).

Thus, at the time of the merger, it can be unequivocally concluded that there were objective economic justifications only when the Perm region was merged with the Komi-Permyatsk Autonomous Area, when regions with different levels of economic development were merged. In other cases, regions with comparable levels of socio-economic indicators were combined.

Therefore, in order to conclude whether the situation has changed on the basis of socio-economic indicators, it is possible to consider the merger of the Perm region with the Komi-Permyatsk Autonomous

Area. According to the Permstat report, prepared for the 10th anniversary of the merger, the goal defined in Article 2 of the Federal Constitutional Law No. 1-FKZ of March 25, 2004 (as amended on April 12, 2006) "On the formation of a new subject of the Russian Federation as part of the Russian Federation as a result of the unification of the Perm region and the Komi-Permyatsk Autonomous Area", was not achieved. The average salary level differed two times, after the unification – 1.5 times, the pace of housing construction was significantly lower, the provision of doctors was two times less, and the population decreased at a rapid pace and decreased by 16.2% over 10 years (Kirkow & Hanson, 1994).

Since 2010, scientific literature has drawn conclusions about the attitude towards other regions about the lack of effectiveness in all cases of the merger of autonomous regions, since it is assumed that other results, except for "strengthening the vertical of power", have not been achieved. Thus, conclusions are drawn that the efficiency of public administration has not increased, there have been no positive changes from the process itself. The reason for this is associated with the lack of a methodology for reforming the administrative division, an insufficient level of competence in decision-making. In the study of Ushakov, on the basis of regional statistics, it is concluded that the positive trends in the change of the Agin-Buryat Autonomous Area did not continue after the merger.

In modern scientific discourse, in relation to the process of consolidation at the level of the subjects of the Federation, the opinion that further processes can be carried out on the basis of the initiative of the regions is becoming more widespread. However, this process is contradicted by the formation and development of regional self-awareness, ideas that each region is of particular value to the country as a whole. In support of this thesis, in 2020 the governors of the Arkhangelsk region and the Nenets Autonomous Area signed a memorandum on the beginning of the unification of regions, the purpose of which, according to experts, was the concentration of resources. However, the low level of support of the population of the district for this project was the reason for the termination of its consideration (Pogodaeva & Artyukhov, 2012).

The need to take into account the opinion of the population when combining regions is shared by politicians, in particular, Matveenko repeatedly proposed to merge various regions with the consent of their inhabitants, Mironov put forward a proposal to merge St. Petersburg and the Leningrad region in order to strengthen the development of the region by attracting investments from the metropolis. Similar proposals are put forward in relation to the regions of the Far East.

In addition, it is proposed to form criteria for the regions, the merger of which is necessary. These may include indicators such as the long-term lack of prospects for the region to become a "donor", which is determined by objective economic reasons, and not by the low efficiency of the regional authorities.

7. Conclusion

In conclusion, the trajectory of administrative-territorial consolidation at the regional level appears intricate. Ambiguity surrounds the outlook, especially concerning the merger of autonomous regions within federation subjects. Notably, the draft Federal Law "On General Principles for the Organization of Public Power in the Subjects of the Russian Federation" omits the merger of the Tyumen region with the Khanty-Mansiysk and Yamalo-Nenets Autonomous Areas, as well as the Arkhangelsk region with the

Nenets Autonomous Area. This underscores the complexity and uncertainties associated with future developments in the ongoing process of administrative-territorial reform in Russia.

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