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**PECULIARITIES OF MONOCITIES' ECONOMICAL  
AND SOCIAL DEVELOPMENT IN THE SYSTEM  
OF REGIONAL PUBLIC ADMINISTRATION\***

*SUMMARY. The article reveals fundamental peculiarities of monocities' social and economical development and their influence on the competitiveness of a region, and it proposes instruments for developing a strategy for monocities' sustainable development.*

*KEY WORDS. Public administration in a region, sustainable development, monocities, monofunctionality, competitiveness.*

Exceptionally high inhomogeneity of the economic space is a distinctive feature of modern Russian economy. The regions of the country differ in their potential and development strategies and in results and effectiveness of their economical activity; taking it into consideration, there is a necessity of improvement of the management system stability for the balanced development of different kinds of regions, including regions with high concentration of monocities.

Analysts' assessments confirm that in modern Russia monocities are one of the key features of the network of cities and make 45% of their total number. Thus, the problem of monocities is of national importance.

Among the regions characterized by the domination of mono-profiled settlements we may mention the Urals Federal District, where the number of monocities is critical (about 62% of regional town structure) and the Yamal-Nenets Autonomous District, where 55% of population lives in monocities. Thus, the Ural Region takes the first place in urgency of solving the problem of mono-profile character of city settlements; this problem has affected the development in a misbalancing way and it worsened under the influence of the crisis in 2008-2009.

This problem becomes more and more important in light of Russia joining the WTO; the risks of joining the WTO should be foremost projected on the monocities. According to the data of the Ministry of Regional Development of Russia, there are 335 monocities with the total population of 16 million people in the country that need current program development aimed at diversification and modernization of the economy based on the innovative principles in order to prevent major outcomes of the crisis.

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Despite the long period of monocities' existence when they faced periodically escalating internal and external problems in their functioning, there are still no effective, considering the complexity and urgency of these problems, ways for authorities to deal with imbalanced mono-specialized settlements. More often local (and less often regional) authorities restricted themselves to non-systemic actions ad hoc in the frame of their limited powers and catastrophic lack of financing, and all this put off solving the accumulated problems of monocities, and created new ones.

Finding solutions to monocities' problems that have sharpened at the peak of financial and economical crisis of 2008-2009 (the decline in production, stoppage of core enterprises, and statistical jump in unemployment) became one of the priorities for Russia's national policy.

Thus, the process of search for forms and methods of mono-profiled settlements support was initiated. However, the low practical effectiveness of the programs aimed at stable socio-economic development of monocities is a direct confirmation of insufficient methodical elaboration on the problem and creates a special kind of "social demand" in this direction. The failure of government program of 2009 aimed at local level development of integrated investment plans (IIP) of monocities' modernization was also an indirect proof of integrated methodological approaches to the analysis of city monoprofiling phenomena inconsistency and the insufficiency of elaboration on the socio-economic development mechanism of mono-profiled cities.

The Ministry of Regional Development of Russia identifies the problems of monocities according to the dominating methodological principle "from company to city" in the following categories [1], [2]:

- The monocity has no problems (or the problems are supposed to be negligible), if the company is successful.
- The monocity has problems caused by problems of the forming company.
- The monocity's problems can be solved only by solving the problems of the forming company.

According to this approach the Ministry of Regional Development has elaborated four types of strategic solutions of monocities' problems [2]:

— dealing with owners of forming companies in order to lead them to fulfill the full range of social functions aimed at maintenance of monocities (it is getting harder to solve problems of monocities, because companies bear the burden of social responsibility to ensure the necessary level of living conditions in the settlement and the necessity of keeping economically inexpedient employment level that does not meet the requirements of production and marketing);

— helping to expand markets of city-forming company production (it is implicitly supposed that the more successful a city-forming company is, the better it will be solving social problems of a monocity without creating new ones);

— restructuring city-forming company (switch to the production of more competitive goods that implies that a city-forming company with totally different concept of production will solve the problems of a monocity);

— liquidating city-forming company, and population resettlement (it concerns urban-type villages, attached to extractive enterprises, that have depleted stocks of exploited deposits, and the living conditions of the territory can not be considered acceptable for life anymore).

It is obvious that the specifics of monocities' management remain undisclosed, because the managing strategy of monocity as of more complicated socio-economic system is not limited by the managing system of city-forming company viewed as a subject of city system that produces a profit.

The process of creation of the mechanism of federal support of monoprofiled municipal units, which was started in the second half of recessive 2009 by the Ministry of Regional Development, was also a palliative measure that did not show high economical effectiveness in long-term planning and management prospects.

The methodological mistake of this initiative was the absence of monocities' self-development mechanisms, because all the solutions were supposed to impact city-forming companies.

In the conditions of post-crisis period's uncertainty and difficulty of predicting future socio-economic conditions of local territories development, the problem of finding the ways to change the situation in monocities, that give opportunities for self-development to these settlements and their flexible adaptation to the environment changes without constant state resources requests, turns out of local task of territorial management into a global one of reaching the stable development of national economy. It requires development of new conceptual approaches to the general methodological problems of mono-oriented economy analysis as well as to the development of the management of settlements' stable socio-economic growth process mechanisms.

Let us analyze the distinctive features of socio-economic development of monocities in the post-recessive period to elaborate the suitable mechanisms of management of stable socio-economical growth process for mono-oriented cities.

The phenomenon of monofunctionality that forms the specifics of monocity economic mode contains a lot of contradictions that can turn out as inevitable costs or potential advantages for the city's economy (Table 1).

Table 1

**The analysis of the phenomenon of monofunctionality  
in the context of Russian monocities**

Disadvantages of territorial monospecialization (in general)	Advantages of territorial monospecialization (in general)
<b>Basic production structure</b>	
City-forming industries are owned by large vertically integrated companies (VICs) that consider the territories of settlements only as production sites that function to reach corporative aims, and there is no priority of social development of the place	Local industries' incorporation into vertically integrated companies significantly increases their economical stability
<b>Degree of autonomy of municipal management</b> High dependence of the revenue side of the settlement budget from the results of financial and economic activities of city-forming companies (20% or more)	<b>Efficient production</b> Benefits from economic specialization

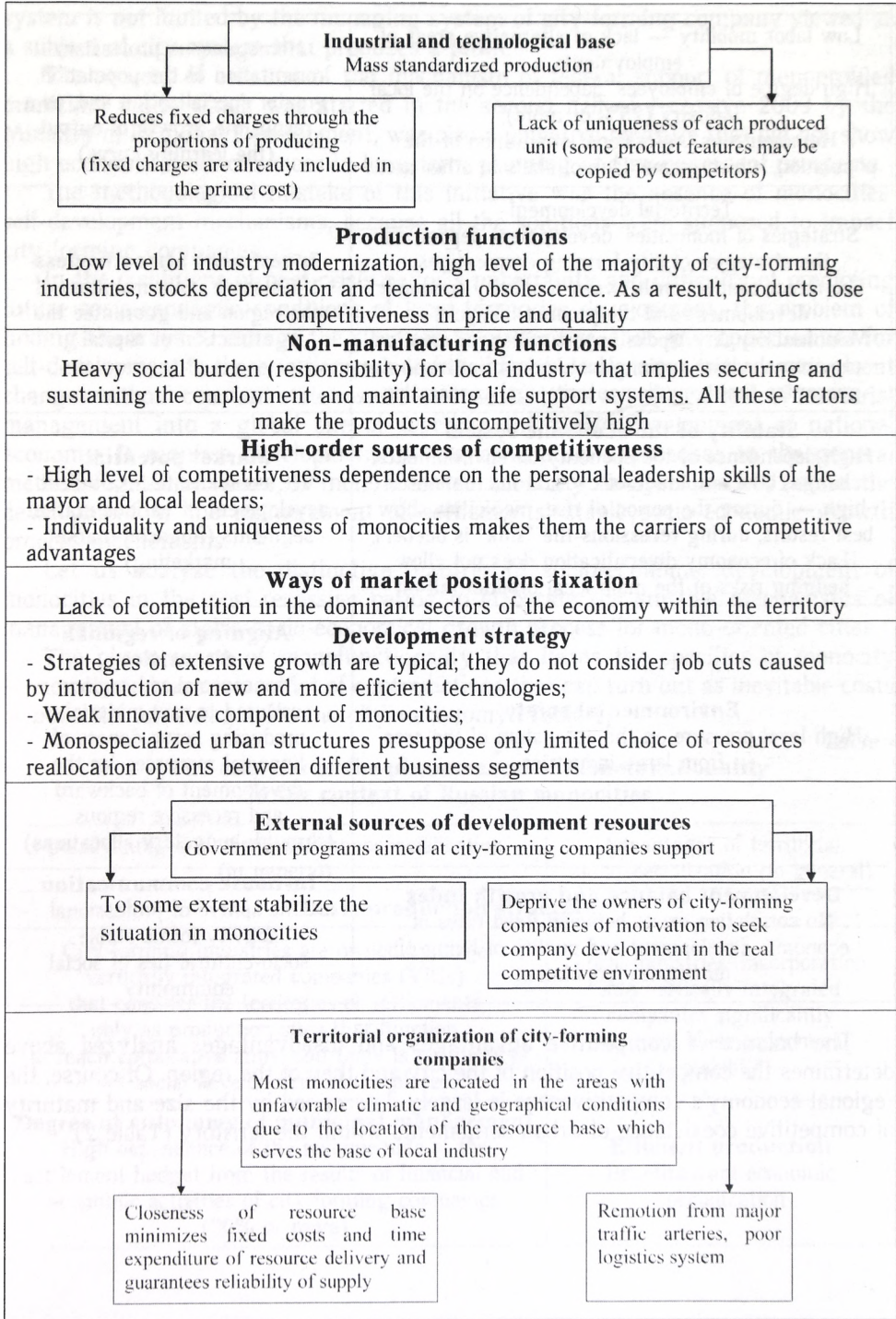
*The end of Table 2*

<b>Labor market</b>	
<p>Low labor mobility — lack of alternative areas of employment;                      High degree of employees' dependence on the local industry (25% or more);                      Homogeneous professional orientation of the population, which means lack of skills in other areas</p>	<p>Homogeneous professional orientation of the population, greater specialization and, as a result, the growth of output (the learning curve)</p>
<p style="text-align: center;"><b>Territorial development</b>                      Strategies of monocities' development depend on the strategies of city-forming corporations;                      The direct connection between monocity economic development and the product lifecycle;                      Monofunctionality blocks opportunities for creation of comprehensive regional networks of cities that guarantee their complementarity and cooperation</p>	<p style="text-align: center;"><b>Investment attractiveness</b>                      VICs serve main investors of the region and guarantee the attraction of capital</p>
<p style="text-align: center;"><b>Stability of the economic system</b>                      High dependence of the economy on environmental changes (the amplitude of cyclical fluctuations is high — during the period of rise, monocities show best results, during recessions the "sink" is deeper);                      Lack of economy diversification does not allow hedging risks of the main local product fall-off</p>	<p style="text-align: center;"><b>Market potential</b>                      VIC compensate insufficient development of various market segments (financial market, marketing)</p>
<p style="text-align: center;"><b>Environmental safety</b>                      High level pressure on the ecosystem of the area from large industries</p>	<p style="text-align: center;"><b>Aligning of regional disparities</b>                      Monospecialized regions oriented to raw materials producing serve donors of financial resources for the development of backward and recessive regions (through budgetary allocations)</p>
<p style="text-align: center;"><b>Development balance and growth index</b>                      No correlation exists between fixed rates of economic development and quality of living of monocities' population</p>	<p style="text-align: center;"><b>In-house communication</b>                      One sphere of professional activity forms stable socio-cultural ties of social community</p>

The balance of competitive advantages and disadvantages analyzed above determines the competitive position of the city and then of the region. Of course, the regional economy's competitiveness is largely determined by the size and maturity of competitive coexistence of urban settlements within the territory (Table 2).

Table 2

**The factors of monospecialization's direct impact on the territory's competitiveness**



To sum up, to date there are no accredited approaches to minimize the negative effects of monospecialization and smooth the imbalance of development of monocities and to maximize their positive effects. First, the problem of specifics of monospecialized cities management still stays unsettled. Second, there is no awareness of the fact that the main resource of monocity is not in holding a city-forming company but its population, the majority of which while living in the town stays in the zone of potential economic and social instability. Third, the raise of life quality of population should become the objective function.

Monocities require new concepts of approach to general methodological problems of their economy state analysis as well as to the development of the mechanisms of the process of stable socio-economic growth management.

According to the methodology of stable development, the strategy of monocity's stable development should imply balance between the society and nature, the balance inside the society and the balance between current and future conditions and opportunities of development of mankind, the opportunities to smooth the amplitude of cyclical fluctuations in socio-economic processes of monocities that sharpen in critical for the economy development periods, and the prospects of self-development of these territories using their own resources.

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