

Mono-Town in the System of Economic Notions of the Russian Federation

¹Elena Mihajlovna Kryukova ²Sergey Leonidovich Razumovskiy and
³Ekaterina Alexandrovna Vetrova

¹Russian State University of Tourism and Service, pos. Cherkizovo, Russia
Scientific and Research Financial Institute of the Ministry of Finance of the Russian Federation, Russia
²Russian State University of Tourism and Service, pos. Cherkizovo, Russia

Abstract: The article is devoted to analysis of "mono-town" notion - not only as general economic category - but in the context of Russian legislature, the author considers the criteria to refer territories to mono-profile ones.

Key words: Town with mono-industrial structure • Mono-industry town • Mono-economic town • Closed Autonomous Territorial Unit (CATU) • Mono-specialization town • Town-forming enterprise

INTRODUCTION

Mono-profile towns take special place in the regions and in the country as a whole. They are specific objects of socio-economic and ecological town-planning policy.

Mono-profile feature is defined as domination of one industry or economic sphere in the economy of town. Synonyms of 'mono-profile' used in scientific literature are as follows: mono-specialized, mono-town, "one-company town" (in English-speaking countries) (Table 1).

Investigation of regulatory foundations of management organization on regional and municipal level has shown that there is no notion "mono-town" which has been officially accepted on legislative level. Thus, for the purpose of this study it is very important to analyze the notion "town" as the base of narrower notion "mono-town". By now national and foreign scientists

from different areas developed numerous approaches to definition of this phenomenon depending on research specialization, world views and creative vision of specific scientist. Towns are classified on the base of opposition of city activities to agrarian ones, the minimum of population, distance between houses, with the use of such terms as "way of life" or emphasizing concentration of houses.

Explanatory dictionaries of S. Ozhegov and N. Shvedova, D. Ushakov define town as big populated place which can be administrative, trading, industrial or cultural center [14, 15], governed in accordance with special status [16]. Financial encyclopedic dictionary points out to big number of town inhabitants, mainly workers, employees and their families' members, who do not work in agriculture [17]. Such criterion as the population number is mentioned in Big economic

Table 1: Mono-town in foreign literature [1-13]

Notion	Country	Contents	Example
One-industry Town	The USA, Great Britain	Town in which all industrial enterprises belong to one industry	Birmingham, Pittsburg
Factory Town	The USA	Town around industrial enterprise	Manchester
Mill Town	Great Britain, Europe	Town formed around textile enterprise	Preston, Burlington
Company Town	The USA, Great Britain, Japan	Town which completely is a property of one of the companies (infrastructure, buildings, etc.)	Toyota-city, Jamshedpur
Mining Town	The USA, Australia	Settlement, intended to provide operation of the mine	Tennat Creak
Railway Town	The USA, Canada	Town which is near to railway junctions	Atlanta, Denver
Resource Town	Canada	Settlement near nature resource-extracting enterprise	Glace-Bay, Elliot-Lake

Corresponding Author: Kryukova, Russian State University of Tourism and Service,
ul. Glavnaja, 99, pos. Cherkizovo, Pushkinskij r-n, 141221, Moskovskaja oblast', Russia.

dictionary: "referring of populated place to the category "town" is formalized in legislative manner; in the same time the criterion of the population number is different: from 250 people in Denmark to 30 000 in Japan" [18]. "Town" in Russian definition must have not less than 12 thousand of people while 85% of them must work in non-agricultural sector.

In the original wording of Federal law "About general principles of local self-government organization" 2 levels of self-government and 2 type of municipal entities were emphasized: settlements (including settlements of town-type) and districts. But this system does not provide an opportunity to take into account specific features of highly-urbanized cities. That is why in new wording of this law in 2003 a notion "urban (town) district" appears and the intraurban territories of federal significance are defined (for 01.01.2010 there were 125 such territories in Moscow, 111 – in St. Petersburg).

Thus, in accordance with Russian laws towns can be represented by town population or urban district. Settlement (populated place) is a populated territory where buildings are concentrated within specific boundaries and serve for permanent living of people [19]. Taking into account such categories as the categories of population, combination of industrial and agricultural production, striving of the settlement to some center, the conditions of roads and communications all settlements can be divided into town and agrarian settlements.

Taking mono-town apart from total number of towns/cities is connected with such notions as profile, function, specialization, core town industry.

P. Hagget [20] proposed to calculate town specialization index, which can point out to industrial, agrarian, administrative, trading, university and resort towns. Towns can be classified in this line if we define criteria for identification of core development of town economy. For example, in the draft of Federal law "About principles of support of depressive territories of the Russian Federation" they proposed to pay attention to *core industry* - it can be construction, industrial production, communication, transport, trading or agriculture in which for the last 12 years not less than 15% of employees of this territory must work, or the share of this industry in GRP must be not less than 20%.

I. Soshkin [21] in his research proposed to differentiate municipal entities by functional criterion: multifunctional and monofunctional (budget, industrial, resort etc.) Another criterion for classification of towns is their specialization which determines the profile of industrial activity of town leading enterprises. The base

of the classification is criterion of employment which was used for the first time by Ch. Harris who developed classification for 337 American towns. The author took 9 town categories: industrial, towns with less industrial functions, mining towns, retail towns, wholesale towns, communication towns, university towns, resort towns and multi-functional towns [21]. In order to provide methodological tools the author proposes formula for identification of functional profile of the territory:

$$R_{Region} = R_{Country} * P_{Region}/E_{Country}$$

R_{Region} = number of the employees in specific industry in specific region (town); $R_{Country}$ is a number of employees of this industry in the country; P_{Region} is population number in the region (town); $E_{Country}$ is general number of employees in the country. Following author's way of thinking we can oppose multifunctional towns to monofunctional - which are characterized by the author as having some specific profile. Thus, from the whole number of the towns (337) Ch. Harris allows to take those which have mono-structure or mono-profile. Problem here is overlapping of terms "function" and "profile" while identifying town function in the context of profile of production activity. The last will not allow to differ the notions "mono-profile" and "mono-functional".

G. Kuznetsova [22] considers the notion "multi-profile" as domination of one industry in specialization of town economy. G. Kuznetsova also uses the term "*mono-profile settlement*" characterizing it through quantitative indicators: production at the enterprises of dominating industry must be not less than 50% of the whole production volume, or more than 25% employees must work at this enterprise. Kuznetsova also referred to the group of mono-profile settlements the settlements having status of agrarian populated place with timber-industry specialization and some settlements of non-industrial specialization, main function of which is providing services for railway transport, penitentiaries, military units, recreation services, Science towns and CATUs. I believe that listed above settlements do not correspond to the notion "mono-town".

In Resolution of the government of 26.02.1997 '222 "About social reforms program in the Russian Federation in 1996-2000" the terms "*town with mono-industrial structure*" and "*mono-industry town*" are used. The terms "*mono-economic town*" and "*mono-specialized town*" are also used in special literature. Every term has both general and specific features. V. Kozhin [23] pays attention to the meaning of the prefix "mono" (Greek

language *monos* - one) which must correspond to one-sidedness of the town, prevalence of one feature in the characteristic of the town over the others (one town-forming enterprise, one-sided economic specialization, one prevailing type of activity, one employment sphere). In this case notions "mono-profile", "mono-functional", "mono-industrial", "mono-specialized" mean quite different notions - we can not say that profile, function, industry, specialization are close to each other.

V. Kozhin points out to redundancy of the term "mono-specialized" because "specialization" is orientation of activity to distinctly formulated area - close to the meaning of the prefix "mono"- this word does not add new meaning. "Mono-functionality" is considered by the author as prevalence of one external function of the town over the others, for example, administrative function. Mono-industrial town has combination of town-forming enterprises of this industry. Mono-profile town in its turn is one-sidedly oriented by one or by combination of features in its characteristic. I believe that numerous terms which refer to one phenomenon must be put together in one unified notion "mono-town". Specific features of every particular town can be emphasized either in the context of industry orientation or main function, profile and industry with the use of corresponding term.

At the Russian Conference "Mono-towns: modern solutions" organized in Moscow in 21.05.2010 the RWAY specialists proposed the following definition: "mono-profile towns are towns in which town-forming enterprise determines almost all economic and, what is most important, social processes taking place in the town". Such definition gives idea of the role of town-forming enterprise in socio-economic condition of the town, but does not allow to identify the degree of such influence.

In national practice one more term is used which is close to the notion "mono-town": "mono-factory", which suggests existence of closest relationship between functioning of town population and the enterprise, big enough to influence all key aspects of town life - "town-forming enterprise".

In comparison with the notions "mono-industrial enterprise", "the enterprise of regional importance" and system-forming enterprise which are components of regional industry, region and specific system as a whole accordingly, the term "town-forming-enterprise" is a component of the town with mono-structure of production. And if the term "mono-industrial enterprise"

testifies that this enterprise can be referred to industry (not enterprise of Science town, or enterprise of service sector), town-forming enterprise does not point to this feature. Thus, I believe relationship between these two notions can be identified in the way of thinking from general to particular, when previous includes the following: system-forming enterprise - enterprise of regional importance - town-forming-enterprise - mono-industrial enterprise.

The problem of definition of the notion "mono-town" is in the difficulty to formulate criteria in order to refer some town to mono-towns.

By now we have the following approaches to definition of mono-town. The 1st approach: a town can be considered as mono-town if the one of the following conditions is fulfilled: availability in the town of one enterprise with the number of employees over 5000; more than 1/4 of town population work at this enterprise, including family members. "Town" as status is not important if these features are available with other populated place also - they also can be referred to mono-towns. Such approach is written in Federal law "About bankruptcy" where criteria for identification of town-forming organization are defined.

Federal law "About s-r status in the Russian Federation" of 07.04.1999 '70-FL, (not in force any more) formulates the notion of town-forming scientific-production complex.

Only one document mentions the notion of mono-profile town and corresponding to it criteria - "The List of mono-profile towns and other populated places with critical situation in employment sphere" which was approved by the Ministry of Labour and economic development of Russia of 30.09.1999 '6489-MM; main criteria of mono-profile characteristic formulated here are as follows: share of production of the mono-profile enterprise in the production volume of the whole town is more than 50%; or the share of employees engaged in mono-profile production must be 25% of all employees in town economy.

Second approach considers the notion "mono-town" in broader terms - in terms of income which goes into the budget of corresponding level from one or two enterprises. For example, if 30% of income of town budget is formed as a result of activity of town enterprise then such enterprise can be referred to town-forming and populated place - to mono-town. This approach allows to have a broader view of mono-town, not only in the context of town-forming-enterprise.

It is worth mentioning that criteria of referring of the towns to mono-profile are changing greatly when they start talking about state support of mono-towns. Thus, in accordance with the Order of the Ministry of regional development of the Russian federation (of 21.07.2009, ¹ 301) they formed Inter-departmental working group of Ministry of regional development of the Russian federation which had to consider the issues of reduction of negative influence of financial crisis on social development of mono-towns and this working group developed criteria to refer a populated place to mono-profile category, namely:

- Availability of an enterprise or several enterprises performing their activity in the framework of unified production-technological process, where more than 25% of economically active inhabitants work.
- Availability of an enterprise or several enterprise performing their activity in the framework of unified production-technological process which produce more than 50% of all production volume.
- Additional criteria to refer populated places to mono-towns: share of taxes and levies going into budget of municipal unit from an enterprise or several enterprise performing their activity in the framework of unified production-technological process and situated in the populated place, must be not less than 20% of total volume of taxes and levies going into budget of municipal unit from all organizations and enterprises.

Considering these criteria it is worth mentioning that, first of all, quantitative parameters are not so important as the degree of influence of specific enterprise on development of the town in question. Quantitative definition of mono-town and town-forming-enterprise criteria allows rather easily, judging by formal features, to refer the town to mono-town and system-forming enterprise to town-forming-enterprise. But these formal features (25% of population etc.) can be changed in the laws in accordance with aims and tasks of economic development of the country, secondly, they can overestimate (underestimate) the degree of influence of some enterprise on town economy. Therefore I propose not to regard these criteria as some postulate, but evaluate degree of influence of the enterprise on town economy.

Another disadvantage of above mentioned criteria - their statics. For example, in the federal law draft "About main principles of federal support for depressive territories of the Russian Federation", in spite of the fact that the draft was not adopted, the idea to put temporary limits, a period of time during which the parameter must stay on specific level, is rather good. It means that not only the degree of influence of town-forming-enterprise on the town economy is defined but duration of this influence. So, if the changes in town economy structure take place only because of abrupt decrease in production volumes of town-forming-enterprise, the dynamics of changes will be analyzed, the cause of this change will be identified and the perspectives of further development of the town will be clarified.

This analysis allows to resume that key criterion to refer a town to mono-towns is the criterion of the share of the enterprise's (or group of companies') production in total production volume (50%) or the share of economically active population which works at this enterprise (25%). The conclusion: it is necessary to analyze dynamics of changes of this criterion in order to take into account the probability of abrupt (or short-term) change in the mono-town economy structure because of instability of demand-supply situation in the market, worsening of the conditions with town-forming-enterprise, great reduction in the number of working places etc.

REFERENCES

1. Atlas of Shrinking Cities, 2006. Edited by Philipp Oswalt and Tim Rieniets. Hatje/Cantz. Ostfildern,
2. Champion, A., 2001. Urbanization, Suburbanization, Counterurbanization and Reurbanization. Handbook of Urban Studies, ed. Paddison R., pp: 143-160.
3. Couch, C., C. Fraser and S. Persy, 2003. Urban regeneration in Europe, Blackwell Publishing, pp: 167.
4. Graham, S., 1997. Imagining the real-time city: telecommunications, urban paradigms and the future of cities. *Imagining Cities*. Edit. by Westwood S., Williams J. Routledge, pp: 31-49.
5. Haase, A., A. Steinführer and S. Kabisch, 2003. Understanding, Hypotheses and Key Indicators of Reurbanisation with Reference to Demographic Change. Compilation based on the contributions of the project consortium, September.
6. Hall, P., 2006. Aged Industrial Countries. *Atlas of shrinking cities*. Ostfildern: Hatje Cantz Verlag.

7. Illeris, S., 1991. Counterurbanization revisited: the new map of population in central and northwestern Europe, in: M. J. Bannon, L. S. Bourne and R. Sinclair (Eds) *Urbanization and Urban Development*, Dublin: Service Industries Research Centre, pp: 1-16.
8. Keeble, D., 1978. Industrial Decline in the Inner City and Conurbation. *Transactions of the Institute of British Geographers*, New Series, 1: 3.
9. Kotkin, J., 2006. Suburbia: Homeland of the American Future. *The next American City*, 11: 19.
10. Lever, W.F., 1991. Deindustrialisation and the reality of the post-industrial city. *Urban Studies*, 6(28): 983-999.
11. Lever, W.F., 1993. Reurbanisation-The Policy Implications. *Urban Studies*, 2(30): 267-284.
12. Mills, E., 1972. *Studies in the structure of the urban economy*. Baltimore: John Hopkins.
13. Panebianco, S. and M. Kiehl, 2003. Suburbanisation, Counterurbanisation, Reurbanisation? An empirical analysis of recent employment and population trends in Western Europe. Paper presented at the ERSA 2003 conference, Jyväskylä.
14. Ozhegov, S., 1989. *Dictionary of Russian language: 70000 entries*. Moscow: Russky Yazyk.
15. Modern explanatory dictionary of the Russian language in 3, 2006. Ed. By T. Efremova. Moscow: AST.
16. Explanatory dictionary of the Russian language in 4 volumes, 1995, 2000. Ed. by D. Ushakov. Moscow.
17. Financial encyclopedic dictionary. Date Views 21.12.2013 URL: www.bookorbita.com/library/spravochnik_enciklopedii/neizvesten_5/g.html
18. Big economic dictionary, 2007. Ed. By A. Azrilyan. Moscow: Institute of new economy.
19. Ivanets, G., 2002. Constitutional Law of Russia: encyclopedic dictionary. Moscow: Law literature, Date Views 21.12.2013 URL: www.determiner.ru/dictionary/543/word
20. Hagget, P., 1968. *Spatial analysis in economic geography*. Moscow: Progress.
21. Surmin, Yu., 2003. Theory of systems and system analysis: a text-book. Kiev: MAUP.
22. Kuznetsova, G., 2004. Socio-economic transformations of mono-profile settlements in transition economy. *Smolensk Regional studies*, 1(3): 33-43.
23. Kozhin, V., 2008. Management of mono-town socio-economic development. Kirov: VyatSHU.