

Social-Economic Problems of Russian Mono-Towns

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Abstract

The relevance of the study is determined by the fact that now the problem of stable social-economic development of single-industry towns refers to one of the priorities of the state policy. Particularly critical this problem was showing in a financial crisis of 2008-2009., which indicated the interrelation of single-industry towns on the city-forming enterprise's activity results. City-forming enterprise's risks makes the typical risks of single-industry towns. Few core enterprises have funds to invest them in their own development and the single-industry towns development, what determine necessity of budget funds applying in programs of mono-towns development.

Keywords: mono-towns, mono-territories, restricted autonomous territorial unit (CATU), single-industry towns, social issues, economic issues, demographic issues

1. Introduction

The theory of disposition of socialist production included principles, according to which have been formed industries, enterprises, territorial-production complexes at the territory of the country. Resource-producing enterprises located in reach of raw materials territories, processing enterprises - in places of consumption. The political and strategic principle, which determines the location of enterprises away from the borders in the event of military actions, was also involved. Obviously, that system development of economic areas required creation and development of production in the northern and eastern parts of the country.

This created the economic basis of the formation of town places, which grew into towns and cities at the same time then production grew up. In the first phase the reproductive base usually forming by core enterprise. It could be mining (Mining Factory), forest industry (Paper Factory), transport (port), mechanical engineering with the defense and others specifics. Gradually formed a social and industrial infrastructure, created enterprises, providing needs of the local citizens. If climatic conditions allowed, industrial enterprise's farms began growing the agricultural products. Town places grew up with a process of area concentration and aggregation of productions, which providing increase of economic efficiency.

The level of society development and the established technological situation also affects on formation and development of single-industry towns. But, if the stages of formation in developed countries created a certain system, then in the Soviet Union this part couldn't be same. Large country, which must be cultivated, demanded huge manufacturing needs. The main factors were the resource base, the transport infrastructures on which were build large industrial enterprises. (Shcherbakov, 2010)

In the 1928-1932 was created the largest coal and metallurgical base in the east of the country, which was working at mines of Urals and Siberia. At the beginning of the 1930s monospecialized cities grew up, mostly as part of production complexes. At same place created several enterprises (Magnitogorsk, Novokuznetsk, Apatity, etc..). During the period of industrialization, many of them were built by prisoners of the Gulag (Vorkuta, Norilsk).

During almost two centuries, the Urals, because of its natural resources, was the most suitable region for the compact industries development. There was formed metallurgy, coal, timber and mining industries (Bakanov, 2005)

A significant number of town places grew up in wartime through the evacuated enterprises. Later, some of them merged with closely spaced cities and productions became city-making single-industries.

Realization of defense policy creates restricted cities with limitation to citizens of entry and exit, organize of special supplies and reborn into independent administrative centers. Other production has not located in it. Scientific and technological potential development of the country resulted in the creation of science cities. The first experiment was tested on Akademgorodok in Novosibirsk. Later created Dubna, Obninsk, Troitsk, Chernogolovka, Zelenograd and other (Institute of Regional Policy issues, 2008)

Many specialized centers have been created among the "energy power cities", mainly existing in thermal and nuclear power plants - Volgograd, Kemerovo (Leningradski region), Novomichurinsk. Narrow specialization has been in many oil and gas mining places (Nefteyugansk, Neftegorsk, etc.). Highly specialized centers of the primary stage of production (coal, iron and non-ferrous metals, mining and chemical and building materials) were created. Concentration policy of food processing industries led to the creation of large meat processing plants, cheese-and sugar factories in many regional centers in European part of Russia.

Mono-towns, in this case, guided by government support, which begins with a list of core enterprises. Obviously, this list is much shorter than the actual number of single-industry enterprises in need of this support. With the state funding the core enterprises have to find additional sources of support and social sphere of the city. Thus, the 236 core enterprises in 2008 said the dismissal of workers because of liquidation or reduction in the production volume. Recession in industrial production of mono-towns, deficiency of own funds in core enterprises and the poor quality of municipal government management become a prerequisite of increasing tensions on the job market, increasing the budget deficit and the growth of the social problems of single-industry towns.

2. Methodic

To prove this hypothesis were used methods and techniques of system and logical analysis; synthesis of management solutions and approaches; methods of scientific classification, comparison and generalization objects and phenomena; factorial approach, economic-mathematical methods in analysis of article's problems, were examined economic preconditions of mono-territories creation, precisely in the Soviet period - the main regulator of the single-industry towns creation were the state. Thus there are two approaches to their formation. The first one included interposition of production forces, that already has a resource base: coal, iron, timber and others. Second gravitated to existing town places (urban and rural), which were the primary units of the territorial location of the population. Near them were created production, made the system development of these areas. The first option was more typical for the Far East, the second - for the western regions of the country and Siberia.

According to the Russian Ministry of Regional Development, in current time, there are 333 town places, classified as single-industry towns in the country. This territory includes 470 city-forming enterprises. 79% of industries production capacity are concentrated here.

About 15% of the population lives in town places, where the number of residents does not exceed 20 thousand people, 25% of the population lives in cities with population of more than 50 thousand people. Maximum number of people (719,544 people) lives in Samara region - Tolyatti, where the main city-forming enterprise is "AvtoVAZ". (Bakanov, 2005)

Single-industry towns specialized in 11 different types of economic activities. Mostly it's engineering, wood industry, non-ferrous metallurgy, mining of energy and other mineral resources. Most enterprises are private.

3. Results

3.1 Economic Problems of Single-Industry Towns Development in Russia (Samarina, 2010; Sukharev, 2010)

In the 90-th years of the XX century the economic basis of single-industry towns was gone through significant changes. Core enterprises produced a narrow range of intermediate products. In addition, during the Soviet period these companies did not have legal autonomy, being affiliates. Privatization has changed their legal status, which allowed making transactions with the property of these companies. Companies resold several times. As a result, mono-towns were classified into three groups with stable and unstable operating core enterprises, with unworking (closed enterprises).

But even preserved, town-forming enterprises reduced the number of employees and production capacity. A huge number of companies join the holdings again, losing their independence. In this case, almost wasn't made the modernization of production, except for a line of wood industries, bought by foreign companies.

Core enterprises restructuring affected all spheres of cities live, as incomes of local budgets are largely depended on the enterprises production results:

- a level of social infrastructure insurance was falling (for reference: in 2002-2006 area of living places per 1 citizen in mono-towns was lower by 3-4% than on the average for the Russian Federation, the number of hospital beds per 10,000 citizens down to 4-10%, number of doctors per 10,000 citizens down to 5-6%), because of not all social facilities were transferred from the industrial enterprises to municipalities, part of objects lost social functions and been sold as private property. For example, were closed some kindergartens, stadiums, swimming pools, sports grounds. Other objects have changed the profile of activities, so cinemas were converted into commercial markets, and summer camps - into corporate recreation bases;
- increased wear of engineering and social infrastructure due to the deficit of local budgets;
- decreased opportunities for the development of small and medium businesses in the cities due to the decrease in demand on domestic services because of reducing the standards of citizens life;
- young people and the most active part of the working population were living to the other, larger and polystructural cities, was changed for the worse sex structure of the population.

Since 2000 positive tendencies in the development of single-industry towns has began. Mono-towns of big business even increased the number of the population, compared to the beginning of the 90s years of XX century (Lipsits, 2000). The highest population growth occurred in the oil- and gas-mining cities. In the cities of the large businesses expansion increased investments, especially in the steel-mining cities (Report of the Analytical Agency RWAY, 2010). Municipal and regional states began to provide financial support for the core enterprises. However, diversification of the production hasn't occurred. The result of state support was only saving the core enterprise.

Accepting in 2003 a new Federal Law "About general principles of local self-government in the Russian Federation» № 131-FL practically does not allow municipalities to provide financial assistance to the core enterprises.

The crisis of 2008-2009 takes influence on the mono-towns in different ways. Those, where the city-forming enterprises exported raw materials and fuel, were less affected. The situation was stable in mono-towns, which produces mineral fertilizers for export. Obviously problem was town-forming chemical enterprises with no-future production and making self-production - for example, "Uralasbest" in the Sverdlovsk region, or mining and chemical company "Bor" in Primorsky Krai. Hard financial situation of these companies lies in the difficulties in adapting to the new economic conditions. Companies are built on specific locations, demand on their products is objectively reduced, and out of the border it even isn't accepted.

The consequences of the global financial and economic crisis with the decrease in mass production aggravate the situation in mono-industrial cities. The study, that conducted by the Institute of Regional Policy found that the maximum rate of decrease in mono-towns production for 9 months of 2009 compared to the same period in 2008, seen in the industry of mechanical engineering (-37%). The explanation lies in that fact that the problems of heavy-machinery industry has been underestimated for a long time, a critical situation at many years non-modernized industry in the crisis period manifested itself on a bigger picture. The decrease in production has influence on the unemployment rate, what is particularly important for single-industry towns where core enterprises- the only place for employment.

Generally, according to the Expert Institute, financially distressed enterprises accounted 83.2% of the total number of city-forming. A number of companies with funds for their own development and the development of their mono-town don't exceed 17% (Report of the Analytical Agency RWAY, 2010).

In 2010, 64% of the core enterprises ended year with a profit (in 2009 it was 61%) (Ministry of Regional Development, 2012).

According to experts at the Russian Economic School (RES) and Ernst & Young company, will intensify the problems of single-industry towns, the main productions of which belong to the industries, that losses from WTO accession. In mono-towns could be expected rising unemployment (Pushkino and Krasnoznamensk, Pikalevo in the Leningradski Region, Kurilsk in the Far East, Nizhnekamsk in Tatarstan).

3.2 Social and Demographic Problems of Russian Mono-Towns (Samarina, 2010; Sukharev, 2010))

The main problem of social development of mono-towns in Russia is a fact, that living standards of the population is directly depends on financial and economic situation at the core enterprise. In case of problems with the financial position of the core enterprise, begins falling in social programs funding, reducing the funding in the social infrastructure, increasing debts on salary. During the economic crisis, the standard of living of the population falls due to the loss of jobs, lower salary, increase in tariffs for housing and communal services, the prices of goods and services, needs to make payments on loans, etc.

В настоящее время уровень безработицы в моногородах разный (табл.1). Так, в Хакасии колеблется от 0,7% (города Абаза и Черногорск) до 4% (село Туим), в то время как в среднем по Хакасии этот показатель составляет 1,36%. При этом треть безработных Хакасии сосредоточены в моногородах.

For example, result of the financial crisis is the number of unemployed in mono-towns of Chelyabinsk region, increased almost 3 times (10,955 people). At the same time in the Verhni Ufaley and Miasse the number of unemployed in compared with 2008 has increased almost 4 times (Ministry of Regional Development, 2012).

The average unemployment rate in the mono-towns of Russian Federation fell from 5.7% in 2009 to 3.8% in 2010. At the beginning of 2011 in 129 of the 335 single-industry towns unemployment rate exceeded the national average (2.1%), and in 26 towns - 5% (Kadochnikov & others, 2010).

Currently, the unemployment rate in mono-towns is different (Table 1). In Khakassia its ranges from 0.7% (cities Abaza and Chernogorsk) to 4% (village Tuim), while an average of Khakassia, the rate is 1.36%. One-third part of the unemployed are concentrated in single-industry towns of Khakassia.

Table 1. Unemployment rate in several mono-towns, on 01.09.2012

Town	Unemployment rate , %
Naberezhnye Chelny	1,08
Tchistopol	3,73
Kamski Poliani	5,43
Krasnovishersk	9,3
Teplai Gora	5,4
Nytva	4,1
Grasslands	6,8
Zelenodolsk	4,4

The percent of small businesses companies in most single-industry towns is on the level - from 1 to 13%, what is significantly lower than the Russian middle rate. Particularly low rates of SME development is in the large cities of Nizhny Tagil, Togliatti, Leninsk-Kuznetsk. The reasons for the weak participation of SME in the economic system of mono-towns: low level of business activity and narrow specialization of single-industry production.

Solution of demographic problems of mono-towns enlarges by the big difference between the social-economic situation and nature-climatic conditions. The environmental situation is also important. All this affects on psychology-morale climate of the population, leading to a straight decrease in life expectancy, eventually reduces the quality and quantity of human resources of mono-town. Problem lies between male and female mortality. Negative social-economic conditions inhibit the formation of high qualified human resources. .

Expected tendency in demographic situation progress in mono-towns is natural reduce in population (depopulation) and it's aging. This sex-age structure of the population makes difficult issue to combine creation new workplaces and ensuring of employees competitiveness in the labor market.

Solving these problems is in attracting investment. However, the investment attractiveness of single-industry towns depends on factors: favorable location, well-developed infrastructure, developed labor market, active employment policy.

That's why in the United States, France, Japan and some other countries at different periods of the time were developed and implemented a long-term programs for the development of the most low-rated areas. These programs were provided activities, in particular the creation on that territories industrial and social infrastructure to ensure favorable conditions for the future placing on them modern industries. Economic stimulation for the development of small and medium-sized districts should turn them from the low-rated and depressed areas to the active centers of economic growth. (Lever, 1991; Lever, 1993; Czamanski, 1976; Kotkin, 2006; Rosenfeld, 1995; Faulkner, 1992; Enright, 1996; Maillat, 1988; Maillat, 1991)

Non-availability of positive conditions will lead to the need of attract migrant workers, that could aggravate social problems due to conflicts and social instability.

3.3 Recommendations to Reduce the Risk of Social and Economic Development of the Russian Federation Monocities

Risks core enterprises form the typical risks of single-industry towns. Few city-forming enterprises have sufficient funds to invest in their own development and the development of single-industry towns, which

necessitates development programs monocities budget funds. Therefore, the Government of the Russian Federation in 2010, has developed a program of measures for state support of one-company towns at the expense of the federal budget. It was approved for funding in the form of grants to support measures to balance the budgets of subjects of the Russian Federation and in the form of budget credit in accordance with Article 13 of the Federal Law of December 2, 2009 №308-FZ "On the Federal Budget for 2010 and the planning period of 2011 and 2012".

In addition, it was envisaged co-financing of measures for major overhaul of apartment houses and resettlement of people from emergency housing at the expense of the Civil Code of the "Fund of assistance to reforming housing and communal services" (at the expense of further provided to the Fund of 5 billion. Rubles to support the single-industry towns). Also Russian Ministry of Economic Development has provided additional 2 billion. Rubles to support small and medium-sized businesses in mono..

In 2011, part of single-industry towns have received state support in the form of subsidies for the development of infrastructure.

In this regard, is an issue of the effectiveness of state support for single-industry towns.

In order to reduce the risk of social and economic development of single-industry towns in Russia and the development of single-industry towns territories need to do the following:.

- identify and legally secure the status of city-forming enterprise, company towns;
- establish social guarantees and compensation to the citizens living and working in single-industry towns;
- define and legislate functions of the executive authorities of the Russian Federation and the federal executive bodies in order to improve the economic and social situation in single-industry towns.

It is also necessary to analyze the existing core enterprises there are risks, and, depending on the findings and develop a program of reaching full recovery. Development of the program requires the owners and the state responsible approach and the social orientation of all of the changes as they are in any way related to the population of company towns. In this regard, there is an urgent delimitation of powers to manage the social environment between state authorities, local self-government and the leaders of the core enterprises. As a rule, the state faces the challenge of maintaining employment in the village and the current standard of living. Economic entity seeks to reduce costs and as a consequence reduce personnel. The solution to this problem is possible by establishing a mechanism of compulsory insurance of civil liability of owners of core enterprises, allows you to create funds of funds in an amount sufficient to compensate for the main part of the cost of re-profiling of the village and / or resettlement of the population in the event of a prolonged.

As the tool is proposed to use the creation of the constituent entities of the regional insurance funds company towns, operational control means which is transmitted subdivisions Social Insurance Fund, and the right to make decisions on the spending of the funds - the authorized bodies of state power of subjects of the Russian Federation.

A feature of this mechanism is the actual combination of compulsory state insurance and liability insurance. As a result, liability insurance forming enterprise paid the premium generates extra-budgetary funds administrations of subjects of the Russian Federation.

Insurance risk in this case is the possibility of the onset of civil liability of the owner of the main enterprise for the obligations arising from liquidation of the enterprise.

The insured event is offensive civil liability of the owner of city-forming enterprise obligations arising from liquidation of the company, which entails the obligation of the corresponding non-budgetary fund to make the payment of the administration company towns.

Such a mechanism will allow to distinguish between the responsibility of the state and the company, as will eliminate the need for development programs company towns exclusively from the budget, which is a considerable number of cases constitutes a subsidy from the budget of large financial-industrial groups of companies.

In the reduction of risks in the framework of single-industry towns development program areas need to be involved, along with the federal government: the city's population; owners and managers of the main enterprise; municipal authorities and the authorities of the Federation, the territory of which is located one-industry town. We believe that the formation of the regional funds of compulsory liability insurance company towns will increase the effectiveness of risk management monocities and determine the correct direction of development of the territories under the changing conditions of the modern economy.

So, now the problem of socio-economic development monoterritory is important not only for the individual regions, but also for the Russian economy as a whole. The solution to this problem lies in the definition of the promising directions and mechanisms of state support for single-industry towns, the definition of risk insurance mechanisms of development of territories.

4. Discussion

4.1 Formation of Social and Economic Issues Monocities

Industrialization of the country led to the formation of mono-specialized towns mainly in the Ural, Siberian and Privolzhskom federal regions. In 2011, there lived from 14 to 28% of the population of the Russian Federation and from 19 to 35% of all urban citizens.

The first crisis consequences in monospecialized towns, as in the whole country, appeared in the period of market reforms. The collapse of the economic space has led to the destruction of production connections and falling tendencies in production. The liberalization of outside economic relations has shown uncompetitiveness of many types of domestic products.

Stagnation specially affects on military industry and mechanical engineering. Reduction in state financial support, military orders, reducing cooperative connections have led to falling production. Previously was understood that fact, that the imported components and materials, using of expensive workers and energy, including same other conditions, the production, including mechanical engineering, could not be competitive. But the importance of this industry for the population, for the development of regional foundation extends far beyond the purely economic problems. It decided social problems too: formed a high level of education, has stimulated the development of science.

These processes could aggravate social and demographic problems. Become worse the socio-economic situation, what expressed in the reduction of real salary with a rise in food prices of mass demand. Among mono-specialized towns nearly a third part of the population had salary under the national average, except located in oil and gas mining regions of Russia. With the loss of state influence in the sphere of distribution relations was highly increased illegal sector. Observed professional degradation of labor potential. Worse economic conditions makes downgrade tendency (on labor market) because of overfull the deaths over births and migration.

In the case of the widespread reduction, and most importantly in simplify of production in the 90s became to be useless and degraded the intellectual and labor potential. The education system was modernized for training specialists in the humanity profile. The real sector of economy, especially manufacturing industry and its scientific and technological base, has huge difficulties due to the need of qualified employees. Cardinaly changes morale and philology climate and employees policy at the companies. Traditionally paternalistic and collectivist behavior, team saving policy becomes history. Formed tighter market relationships, both among employees and employers. It was fatally increasing dismisses, turnover of personnel, and the difficulties of forming high-effective production teams, especially in scientific and technical sphere.

In the situation of the global financial and economic crisis mono-specialized towns have taken most damage.

Years of market reforms shown that commercial principles in the mono-specialized town's economy couldn't be able. Restriction was necessary. Situation requires the solution of social, psychological, legal and even political problems. Such complex complicates searching for acceptable ways of social communication effectiveness rising. It is necessary to understand the reasons for the delay this process, identify possible ways to strengthen and improve the efficiency of social communication, providing conditions for the financing of public and social services at the municipal level. It is important to determine the strategies of transforming the core enterprises, ways to accelerate the development of forms of economic activity and employment alternatives.

The question: mono-specialized - is "ungrowth" because of circumstances towns, the stage of development of town places or element of territorial- establishment structure? The reason lies not only in the nature of the economic base, but also in the growth potential of the town, its position in the complex system of town places.

Although it's topically until currently this problem has not been investigated deeply enough. There are no well-founded recommendations to reduce the economic and social damage, risks valuation, as a kind of "prevention" of crisis situations. To change this situation, the Government of the Russian Federation carries out a complex analysis of the problem. As a result, the Order of the Ministry of Regional Development of the Russian Federation established an Interdepartmental working group on issues of reducing the negative impact of the financial crisis on the socio-economic development in mono-specialized towns. Were prepared proposals on specific types of state support and created decision-making procedures that alleviate the situation in the labor

market. Ministry of Regional Development of Russia analyzes the social-economic condition of single-industry towns under the influence of the crisis issues and preparing the concept of support and development for these towns.

4.2 The Most Precious Moments of International Experience to Modernize Monocities (Kryukova et al., 2013; Kryukova et al., 2014)

Although many company towns associated with the existence of a centrally controlled economy, they have been observed for other types of economic systems. Monotown appeared in the United States in the late 19th century, especially in the industrial areas of the Midwest. At the peak of its development, the number of single-industry towns reached more than 2500, which amounted to 3% of the population of the United States. UK to solve problems in single-industry towns 1970.

In some countries, developed a long-term forecasts for the development of large urban areas in general, including the suburbs of large cities (eg. Tokyo). In the United States since the 1960s, there was displacement of the population of the major cities to the suburbs. Great attention to the development of small towns has been paid in Canada. Target the Government of Canada a great program of industrial development of small towns in the northern regions, called "Face to the North." Development of northern Canada through the creation happened in the areas most rich in natural resources, some small towns that had become centers of adjacent wilderness areas.

World experience shows that there are two ways to solve the problems one-company towns. The first method (American) involves moving to the cities, where there is a shortage of personnel. City reduced in size, but retains its urban functions. The second way (Europe) involves the use of state and regional programs rehabilitation area. These programs include measures to combat the negative environmental impacts, infrastructure projects and re-employment.

Analysis of international practices in addressing monocities showed the prevalence of market methods. Firstly, there is a diversification of the economy through the efforts of company towns gradoobrazujushchego plant (the creation of small businesses, the change of specialization), or through the involvement of the public finances. Secondly, there is a resettlement company towns. In both cases the work market incentive.

Consider the most striking examples of the diversification of the economies of single-industry towns abroad:

Development strategy monocities

(1) Strategy substitution industries

Modern lines of development characterized by the predominance of services, so the strategy of substitution industries aimed at refocusing on the services sector (telecommunications development, education, logistics services, etc.). In each case, you must consider the socio-economic development of company towns. Single strategy applicable to all single-industry towns, does not exist. Application of this strategy may be accompanied by worsening of the socio-economic problems.

An example of using substitution strategy serves the city of Glasgow (United Kingdom). Glasgow has lost its competitive edge in the production of industrial equipment to the 1960 th year. Most rapidly developing suburbs due to the use of more advanced technologies and resettlement of urban workers. The city center became focused all socio-economic problems: social conflicts, crime, poverty. In the 1970s, the city's problems intensified in a reduction in production of heavy industries. In the mid-1980s, programs have been developed to diversify the city's economy based on manufacturing industry to replace the range of services in order to achieve sustainable economic growth in the city.

(2) Development of Entrepreneurship

The second strategy is based on the revival of single-industry towns development of entrepreneurship, innovation-oriented, that is conducive to long-term growth of the economy of the city.

An example of the application of this strategy serves the city of South Yorkshire. Problems of this kind have been associated with problems of the mining industry and the UK led to a decline of 70,000 jobs.

The EU has financed programs to retain and create jobs at a rate of 1.8 billion. Euros. The main obstacle of the program served as a motivation. Although two thirds of the miners agreed to useful effect of retraining programs and training, but look for a job did not. Lack of motivation to seek employment was associated with the payment of mortgage payments, the presence of the right to public health benefit, the lack of entrepreneurial experience.

Thus, to solve the problem monotown enough to retrain, it should be supplemented by a program of job creation .

(3) Free Trade Zones

The formation of free economic zones is aimed at improving the investment climate areas. Poor investment climate, primarily associated with the high cost of business, which are defined by poor transport infrastructure, limited access to capital, lack of qualified personnel, etc.

Rationale for the formation of the free economic zone is based on a comparison of the financial benefits and additional costs. In each case it is necessary to conduct a thorough analysis to determine the optimal level of public spending on the formation of a free economic zone, aimed also to determine the necessary size to attract private investment and incentives for private investors.

An example of the use of this strategy appears in Corby (UK), with a predominance of the steel industry.

The city established the Center for Industry Development (CDE) to create the first free economic zone. The composition of the PIU representatives of local authorities, business, (former) state steel company, as well as the national committee of the "new towns".

(4) The role of clusters in the economy

Production cluster - a group of companies and non-profit organizations for which group membership is an important element of individual competitiveness .

Some clusters already exist now. This, for example, the automotive industry in Detroit, production of computers in Silicon Valley and flowers in the Netherlands. Also clusters may still be developing or potential. Biotechnology cluster has now developed in some regions of the world, to the extent that progress in medicine, biology and chemistry allows you to create completely new products, and promotes joint activities of firms, industries, research institutions and other economic agents. From a public policy perspective rather important to know what could be a cluster (with appropriate support from the state), than the knowledge that a cluster.

Birmingham is a good example of the cluster in the UK automotive industry. State support of more than 16 billion. Dollars in 1975 failed to stop the bankruptcy process "British Leyland". After privatization, mergers and acquisitions the company has remained under the name "Rover Group". Subsequently, the company has teamed up with "MG", went bankrupt in 2005.

To reduce reliance on manufacturing, the city began to develop as a center of transportation and logistics, exhibitions and conferences, the financial center.

In the process of diversification of the economy of the city were formed clusters comprising manufacturers, service companies and the newly privatized industrial enterprises.

5. Conclusion

Complex of single-industry towns problems represented on Pic. 1. (Kryukova et al., 2013; Kryukova al., 2014)

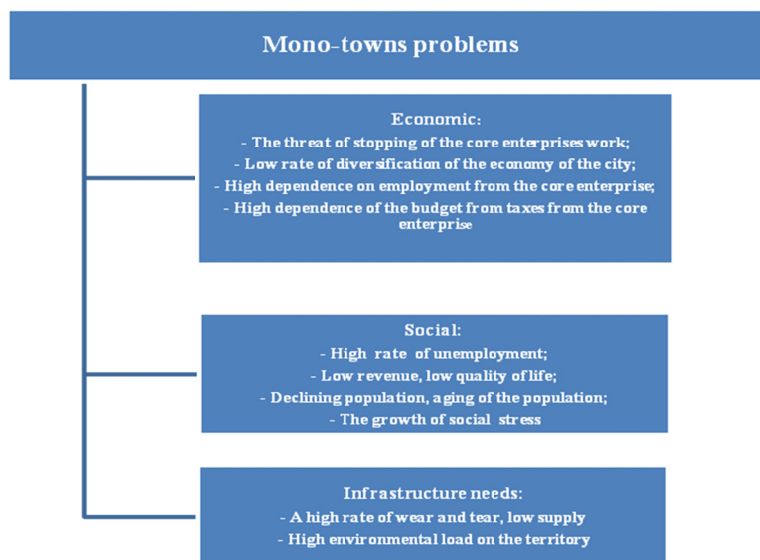


Figure 1. Mono-towns problems

These problems stopped the development and implementation of short, medium and long-term development programs of mono-towns (Table 2).

Solution of social problems should be considered in the development of targeted programs of Russian mono-towns growth. It is important to take into the sex-age specifics of each city population, actively use the educational and professional structure of the population.

Table 2. Terms and limitations in the Russian mono-towns development

Terms	Limitations
1. Development of concepts and regional targeted programs of social infrastructure growth in mono-towns.	1. Undeveloped of social infrastructure (labor market, education, social needs, housing market, etc.).
2. The accepting of certain social programs for the development of small and medium-sized single-industry towns.	2. The need of managerial skills, able to working in unusual circumstances.
3. Regular monitoring of social-economic condition of single-industry towns evolution in the medium and long term.	3. Low labor mobility.
	4. Sameness of the population's professional skills structure

In mono-towns should be available modern educational programs of qualification upsurge and retraining. Developing of basic insurance programs in part of job loss or unemployment is necessary. Also needs to function the information support in the form of a data base of intra-and inter-regional labor market, etc.

Mono-town citizens replacing program should be realized only when it is impossible the implementation of other measures.

Mono-towns problems (economic, socio-demographic and infrastructure) depends on the core industry's production results.

In world practice of single-industry towns development contained experience in economics restructuring on the basis of state and regional support activities. A key role in these activities occupies social orientation events. An important place taking unemployment insurance, this affects unemployed and also working people with low level of life quality. Realizing these programs is supported by the activity of society organizations, as well as local states and business, which, consolidating, together solving problems of the city through state-private partnerships. Many foreign examples shows that benefit have those regions which due to historical conditions and landscaped area could created the situation of investment and social attractiveness, ensuring the creation of competitive industrial zones. Also they shown the need for a differentiated approach to solving these problems, taking into national, territorial and political characteristics of each city (town) .Currently development of single-industry towns in Russia is a complex problem in which social issues are inseparable from issues of economic, legal, political. Solving this problem is necessary to unite the efforts of all levels of government (federal, regional and municipal), including the social organizations, trade unions, and also the immediate interest of the mono-towns population.

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