

AREAS AND FORMS OF REGIONAL COOPERATION IN MULTI-STRUCTURED (MATRESHKA-STYLE) REGIONS (TYUMEN REGION, RUSSIA)

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Abstract

The problem of the administrative, economic and social sustainability of a group consisting of neighboring regions with close ties has no clear solution yet. Should closely-tied regions in the long run form a centralized system of administrative bodies, compress their budgets into one, and construct unified social programs, or not? To answer this question, in the article we describe a case that represents the paramount form of cooperation amongst closely-tied regions. It is the case of the so-called multi-structured region, or “matreshka-style” region, where all the relationships culminated.

Analysis of the history and the present conditions of inter-regional cooperation, its areas and forms, in a unique multi-structured region of Russia, namely the Tyumen region¹, shows that such centralization has its limits, and instead of “rough” centralization, more sophisticated procedures (programmed forms of economic cooperation, legally introduced forms of administrative coordination, structured distribution of management functions, combination of partially connected inter-regional budgetary processes) should be elaborated to provide the sustainable development of closely-tied regions.

Keywords: inter-regional cooperation; a multi-structured region (“matreshka-style” region); separation of powers; indicators of programs; theory of administrative functions, strategic planning.

Introduction

The problem of the sustainable development of closely-tied regions based on their inter-regional relations has been discussed since the 1870s at least. It is traced in Europe back to relations inside the Alsace–Lorraine group of regions (established during the period of the Franco-Prussian war); in the USA to the Washington Metropolitan area Council of Governments founded in 1957 (Washington DC, Maryland and West Virginia), and to the Minneapolis urban triangle located at the intersection of the municipal communities of Minnesota, Minneapolis, Maplewood and Saint Paul; in China

¹ Tyumen region is “matreshka-style” region that is comprised of three independent regions of the Russian Federation: Tyumen Region per se, Khanty-Mansiyskiy autonomous district-Yugra and Yamalo-Nenetskiy autonomous district.

it is the special economic and technological zone (SEZ) at Shanghai and Chengdu, etc. The main theoretical (with practical implementations) problem for the development of closely-tied regions is: how to combine administrative, economical and social rules and procedures for region-participants? Is it possible to set up a joint inter-regional administration and to unify the legislation of the regions, allowing them to act evenly for the purposes of sustainable inter-regional development?

Many studies in the field of inter-regional cooperation are devoted to the economic aspects of integration and development of the regions:

- Clusters as a key element in the metropolitan region concept (Litzel & Möller, 2011);
- Level of vertical alignment or integration of federal-state-local economic development policy and degree of horizontal alignment or integration of economic development strategy (Creating Global Competitive Economies: 2020);
- Special economic zones as a basis for rapid economic development, the epicenter of the reforms and the grounds for the introduction of new business models and activities (Mohiuddin, Regnière, Su, A. & Su, Z., 2014); types of special economic zones (Pakdeenurit, Suthikarnnarunai & Rattanawong, 2014).

There are also studies on the administrative (Wang & Li, 2013) and administrative-territorial relations of regions (Glezer, Kolosov, Brade, De Lille & Sluka, 2014). Some studies consider the social aspects of inter-regional cooperation and integration (Maher, 2015; Butz, 2014; Shey & Belis, 2013).

To find working practices and use benchmarking tools for the sustainable inter-regional development of closely-tied regions, we propose to pay attention to the most interconnected regions. For Russia, this is the so-called “matreshka-style” regions (or multistructured regions) that consist of some quasi-independent entities. For such regions, we can find forms of cooperation on different levels which have already been polished by practice. The existence of such regions shows ultimately that some kind of symbiosis for closely-tied regions is possible. Our case study – which concentrates on the Tyumen region, a historical and practically functioning example of a “matreshka-style” region, well-known amongst Russian researchers (Dobrynin, 2015; Ivanov, 2002; Ulyanov, 1997) – shows that instead of a mono system of governance, what arose here was a much more complicated managerial, social and economic phenomenon with distributed functions, cooperative finance flows, correlated local legislation, and multi-level social programs. It can be the approach for others regarding regional cooperation, if regions would like to set close ties.

The genesis of inter-regional cooperation in the Tyumen region

The Russian Federation as a federal state is comprised of 85 regions. Not all regions have the same legal status or level of economic development. Two out of the 85 regions – the Tyumen and Arkhangelsk regions – are called multi-structured, which makes them unique.

The Tyumen region’s peculiarity is that it is comprised of three independent regions of the Russian Federation – Tyumen Region per se, Khanty-Mansiyskiy autonomous district-Yugra and Yamalo-Nenetskiy autonomous district (hereinafter – the autonomous districts). At the same time, territories of the autonomous districts are a part of the Tyumen region territory.

This territorial structure was defined during the Soviet period of Russian history (in 1944) and affirmed later by the Constitution of the Russian Federation in 1993 (see part 4 of Article 66).

The Russian Constitution proclaims the principle of equal rights of all regions of the Russian Federation. However, this principle does not exclude the accession of autonomous districts in the Tyumen region. The relationship between the Tyumen region and autonomous districts can be seen as a manifestation of the law of dialectics – the unity and struggle of contradictions.

Let us have a look at the rationale behind the Tyumen region.

The territory and the population of the autonomous districts are included in the territory and population of the Tyumen region. Therefore, the population of the autonomous districts should be involved in the elections of the legislature and the governor of the Tyumen region.

Moreover, accession of the autonomous districts in the Tyumen region presumes a partial jurisdiction of the Tyumen region over the autonomous districts.

The autonomous districts believed that their accession into the Tyumen region is just a form of interaction between peer regions. They see the Tyumen region as just a set of its «southern territories.» Accessions, in their view, cannot serve as a basis for the formation of a combined government nor for the distribution of the jurisdiction of the Tyumen region over the autonomous districts. Moreover, the relationship between the autonomous districts and the Tyumen region should be regulated only by mutual agreement, i.e. a contract.

Another subject for disagreement is redistribution of financial resources. The corporate landscape of the region was formed so that a significant portion of corporate income tax goes to the budget of the autonomous districts.

In 1997, the conflict was through Constitutional Court proceedings. The Constitutional Court in its judgment dated 14.07.1997 N 12-P formulated the following legal position underlying the current state of relations in the region:

- The autonomous district, being an equal region of the Russian Federation, at the same time is a part of the Tyumen region. Accession requires the governments of both equal regions of the Russian Federation to ensure the preservation of territorial integrity and unity in the interests of the region's population;
- Accession does not mean that the autonomous district is losing the elements of its status – territory, population, system of government, legislation;
- The power of the Tyumen Government shall apply to the territory of the autonomous districts in the cases and to the extent permitted by federal law, the statutes of the Tyumen region, autonomous districts and the contract between them;
- The Tyumen region and the autonomous districts have the right to transfer the exercise of their power to one another on a voluntary basis, by contract or by the adoption of the law;
- Absence of a contract cannot serve as an obstacle to the distribution of the jurisdiction of the Tyumen government over the territories of the autonomous district.

On the basis of this legal position, the following principles of relations in the region were adopted:

- 1) The independence of the Tyumen region and the autonomous districts in the implementation of their economic and social policy;

- 2) Equality, mutual respect and the aspiration to achieve common prosperity and development;
- 3) Access to mutual information, coordination and consistency of actions;
- 4) Observance of agreements and contracts and responsibility for their implementation.

Separation of powers and the fields of inter-regional cooperation

Separation of the powers of the Tyumen region government and the autonomous districts is based on the principle of equality.

At the same time, the government of the Tyumen region exercises the following powers in the autonomous districts:

- Powers assigned to them by federal laws (see Table 1);
- The powers of the federal executive bodies, delegated for implementation to the executive bodies of the Tyumen region;
- Joint powers of the Tyumen region and the autonomous districts in accordance with the agreements;
- The powers delegated by the governments of the autonomous districts to the government of the Tyumen region (see Table 1).

Table 1

Examples of the powers of the Tyumen region government over the territories of the autonomous districts

The powers set by Federal Act (paragraph 3 of Art. 26.6 of the Federal Act of 06.10.1999 № 184-FZ «On general principles of organization of legislative (representative) and executive bodies of state power of subjects the Russian Federation»)	The powers delegated by the state authorities of autonomous districts bodies of state authority of Tyumen region (Art. 16 of the Charter of the Tyumen region)
<ul style="list-style-type: none"> – The formation and maintenance of the archives of the region; – Prevention of inter-municipal and regional emergency situations, natural disasters, epidemics and elimination of their consequences; – Organization and implementation of regional and inter-municipal programs and projects in the field of environmental protection and ecological safety; – The establishment and protection of specially protected natural areas of regional importance; – Support for agricultural production; – Support for socially-oriented non-profit organizations; – Planning the use of agricultural land; – Reservation of land, withdrawal of land for public use of the region; – Maintenance of the roads of regional or inter-municipal significance; – The regional supervision over the safety of roads of regional and inter-municipal significance; – Organization of public transport services by air, sea, roads; – Maintenance, the development and organization of the operation of civil airports; – Maintenance, the content, the development and organization of river ports; – Provision of state guarantees of the right to receive public and free pre-school education, primary general, basic general, secondary education, providing additional education for children; – The organization of secondary vocational education 	<ul style="list-style-type: none"> – Protection of economic interests of the Tyumen region and the autonomous districts in the federal bodies; – Coordination of actions for energy management, communications, aviation, river, rail and pipeline transport, the protection of law and order, protection of information resources of the region

As you can see, the powers of the Tyumen region government have a complex structure. This is due to the partial recognition of the jurisdiction of the Tyumen region government over the autonomous districts. In fact, Federal Act detail 06.10.1999 N 184-FZ delegates the powers of the autonomous districts in favor of the Tyumen region (see column 1 of Table 1). Thus, we have to conclude that the autonomous districts lose the status of equal regions and the federal structure has an asymmetric character.

Let us look at the consideration of the situation in terms of the theory of functions.

Imagine that the powers of public administration are (x) – this is the domain of the functions of government (y). In the process of implementation of the powers of public administration a function acquires a particular value.

$y = f(x)$, where:

y – The function of government, the dependent variable of x;

x – independent variable, the powers of the authorities in the form of specific actions;

f – possible actions (x), for example, budgetary financing of the exercising of powers. It is possible to express by multiplying budget expenditures (p) and action or event under the authority (x). Budget expenditures can be determined by various methods: the method of comparable market prices (market analysis), the tariff method, cost method and others.

Thus, the value of the function of governance can be expressed by the formula: $y = p * x$.

In this case there are no powers. That is, the values of the government's autonomous districts are reduced to zero. In other words, there is nothing to manage in the presence of their own taxes and the budget.

What should we do in this situation? There are three options.

1. Delegate the same powers as the other regions of the Russian Federation to the autonomous regions ;
2. Refuse to model a multi-structured region. This route was taken by the most multi-structured regions of the Russian Federation in the 2000s. Currently, in the Russian Federation there are only two multi-structured regions – the Tyumen region and the Arkhangelsk region, including the Nenetskiy autonomous district.
3. On the basis of an agreement, transfer back the jurisdiction of the autonomous districts powers. Inter-regional cooperation in the Tyumen region is developing according to this scenario.

Since 1st January 2005 the Tyumen region has given the autonomous districts powers assigned to by law (paragraph 3 of Art. 26.6 N 184-FZ), reserving its right to fund certain activities. Thus, the Tyumen region has limited jurisdiction. This situation was determined by the contract between the Tyumen region and the autonomous districts.

As a result, since 2005, interaction between the Tyumen region and autonomous districts has been carried out in the following fields:

- 1) Development of a common strategy in pricing policies, taxation, budgeting;

- 2) Ensuring provision of food, consumer goods, new technologies for their production, construction of enterprises and social facilities, the development of the construction industry;
 - 3) Development and implementation on the basis of equitable participation in regional programs. For each program, the Tyumen region and autonomous districts sign a contract which contains shared responsibilities of each party;
 - 4) The development of common property;
 - 5) The development and implementation of common approaches to issues affecting the interests of the Tyumen region and the autonomous districts in the spheres of culture, education, health, urban planning, environmental protection, transport, communications, protection of the rights and freedoms of the individual, pensions, social insurance, archives, and the social protection of the underprivileged .
 - 6) Implementation of joint legal regulation in the use of natural resources ;
 - 7) Combating catastrophes, natural disasters, epidemics, epizootics, and the management of their consequences.
- Inter-regional cooperation in these areas is carried out in various forms.

Forms and mechanism of inter-regional cooperation

Analysis of the interaction practices of the Tyumen region and the autonomous districts reveals the following forms of inter-regional cooperation (see Table 2).

Table 2

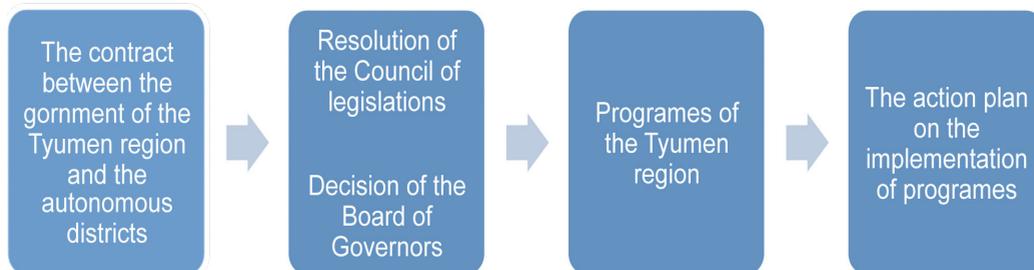
Forms of cooperation of the Tyumen region and the autonomous districts

Organizational forms – the forms of coordination	Legal forms	Economic forms
<ul style="list-style-type: none"> – Joint meetings of the legislative bodies of the Tyumen region, the Khanty-Mansi and Yamal-Nenets autonomous districts; – The Council of the legislatures of the Tyumen region, the Khanty-Mansi and Yamal-Nenets autonomous districts; – Board of Governors of the Tyumen region and the autonomous districts 	<ul style="list-style-type: none"> – Contracts; – Agreement; – Joint legal acts 	<ul style="list-style-type: none"> – Programs of the Tyumen region; – Joint ventures; – Mutual funds; – Equity participation in the creation of tangible assets and other

The main form of cooperation is through the government programs of the Tyumen region, representing a range of joint activities. Their approval is preceded by organizational and legal form (Picture 1).

Picture 1

The mechanism of cooperation of the Tyumen region and the autonomous districts



During the implementation of the government Programs the provisions of the Treaty between the public authorities of the Tyumen region and the autonomous regions are realized and economic forms of cooperation are utilized.

Since 1 January 2015, the region has had a new state program «Cooperation» for the period up to 2020². The Program was developed by the Government of the Tyumen region on the basis of proposals by the autonomous regions.

The purpose of the Program is to further develop the integration processes in the economy and the social sphere of the region (Table 3).

Table 3

Objectives and expected results of the region Program “Cooperation”

Program Objectives	Expected results
<ul style="list-style-type: none"> – Encouraging movement of the retired from northern territories of the region to the southern regions; – Create a database of qualified human resources in the region, the provision of professional education; – Development of the transport network and transport services; – Provision of specialized health care 	<ul style="list-style-type: none"> – Provision of social support to certain categories of population who moved their permanent residence from the territories of the autonomous regions to the south of the Tyumen region; – The provision of social benefits for the purchase of residential premises for those who left the autonomous districts in towns south of the Tyumen region; – Improvement of transport infrastructure and road safety; – Increase in the level of security of the inhabitants of the autonomous regions, institutions of culture, sport, health, child care institutions, institutions of general and specialized secondary education; – Reducing the time required for elimination of the consequences of emergency situations, reducing the damage caused by emergencies, fires, including forest; – An organization providing high-tech medical assistance to residents of the autonomous regions in the regional specialized institutions and organizations

² The official portal of public authorities of the Tyumen region. Access mode: http://admtyumen.ru/ogv_ru/finance/programs/program.htm?id=1087@egTargetGrant

The total funding for the program „Cooperation” is 50 443 million rubles, distributed in the areas and activities of the Program (Table 4).

Table 4

The main activities of the state program «Cooperation»

N	The main activities	Expenses for the entire program period (2015–2020), mln.
2	Construction, reconstruction, repair and maintenance of regional roads	27467.09
3	Organization and implementation of projects in the field of environmental protection and ecological safety	158.261
4	Creating and ensuring the protection of state nature reserves and natural monuments of regional value	0
5	Organisation of transport services by road, rail, inland waterways, air	2186.171
6	The development of intra-regional cooperation and increasing the competitiveness of the regional agriculture producers	1014.72
7	Construction and reconstruction of social facilities which provide services to the population of the Tyumen region, including the autonomous regions	6441.67
8	Provision of professional education	36.901
9	Implementation of projects in the field of sports	86.161
10	Prevention of emergency situations of regional scale, natural disasters, epidemics and reducing the damage caused by emergencies	263.502
11	Organization of specialized health care	9122.77

The source of financing is a portion of the corporate income tax of the autonomous regions. Such a mechanism is determined by the contract between the government of the Tyumen region and the autonomous districts.

Under the terms of the agreement, the budget of the Tyumen region receives 29.5% of the corporate income tax of the autonomous regions. This revenue is also intended to finance part of the authority of the Tyumen region which exists throughout the region, including the autonomous regions (p. 3 of Art. 26.6 N 184-FZ). However, as noted earlier, the Tyumen region on 1 January 2005 transferred these powers for independent implementation by the autonomous areas. Thus, the Tyumen region consolidates significant resources of the autonomous regions.

Evaluation of the effectiveness of the Program is held annually on a single criterion – the level of funding for the Program (Table 5).

Table 5

Evaluation of the Program «Cooperation»

Criterion	2014	2015	2016	2017	2018	2019	2020
The level of funding for the Program, %	80	Not less 80					

As shown in Tables 3 and 4 the Program does not define outcomes in specific terms. In other words, the value of the functions of government is not determined according to the formula $y = p \times x$.

The following indicators can be offered to measure the effectiveness of the Program and inter-regional cooperation in general:

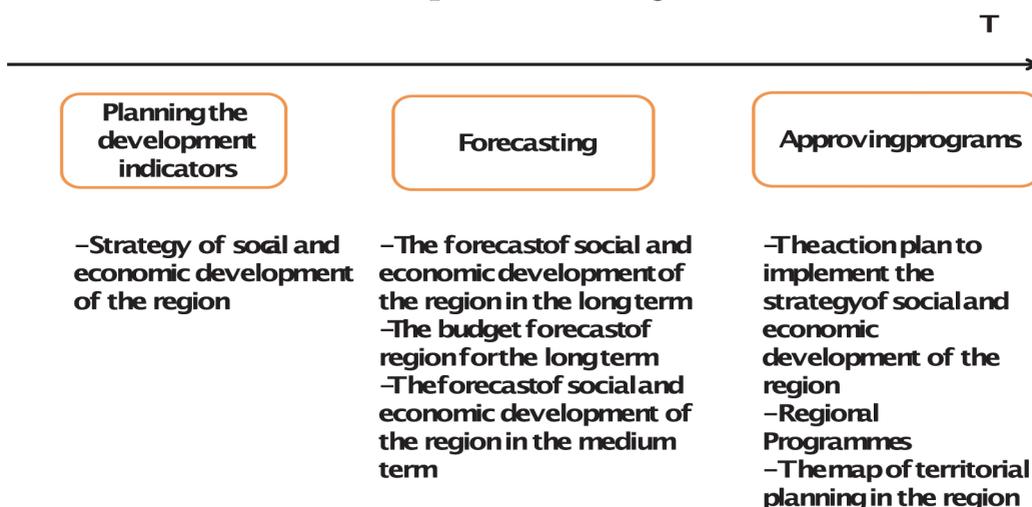
- The proportion of people of retirement age who need to improve their housing conditions and thus relocate from the Far North areas to the southern areas of the Tyumen region;
- The length of regional roads that do not meet regulatory requirements as a proportion of the total length of roads of regional significance;
- The proportion of the population living in towns of the Tyumen region and the autonomous regions that do not have access to regular road, rail, water or air transport;
- The share of agricultural goods produced by regional agricultural producers proportion to the combined regional product in the Tyumen region and the autonomous regions;
- Children who require preschool institutions as a proportion of the total number of children of preschool age;
- The surface of occupied school buildings meeting general modern requirements (in square metres).

In 2014 the Federal Act „On the strategic planning in the Russian Federation” was adopted. It defines a system of strategic planning at every level of public administration. So, the methodologically correct decision is to determine the place of the „Cooperation” program in the system of strategic planning of social and economic development of the region.

The system of strategic planning at regional level can be represented in the following diagram (Picture 2). In the picture you can see steps of strategic development and supporting Acts.

Picture 2

The system of strategic planning of social and economic development of the region



As noted above, the first step of the strategic planning is the goal setting, which is carried out under the strategy of the region. The strategy sets the directions, goals and priorities of social and economic development. The strategy should also include the indicators – the values of governance. The indicators are the final results of programs. The immediate results of the programs should be planned in accordance to the indicator. Thus, the end results (y) – are the dependent variables of the immediate results (x). So, the end results are the indicators for assessment of the effectiveness of public administration in general, and individual programs, in particular.

Application of this model of strategic planning to the relationship between the Tyumen region and the autonomous districts will be a new stage of inter-regional cooperation.

Conclusion

The study demonstrates a unique example of cooperation between regions that make up a single multi-structured region. The peculiarity of the inter-regional cooperation of the Tyumen region and autonomous districts is the horizontal redistribution of financial resources in order to implement activities in the field of software for the social and economic development of the whole territory and its population. The Tyumen region performs the functions of administrator of programs and financial resources in this matreshka-style region. The Russian Federation only has the function of coordinator in the event of disputes and contradictions.

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