Academician P.A. Minakir – the Cause and the Time

In August of this year our respected colleague, associate and like-minded comrade Pavel Alexandrovich Minakir (02.12.1947–03.08.2023) – a major expert on the problems of spatial development, a profound expert on the economy and social processes taking place in the Far East – passed away. Pavel Alexandrovich for a long time headed the Institute of Economic Research of the Far Eastern Branch of the Russian Academy of Sciences, and for a number of years was the editor-in-chief of the journal "Spatial Economics", which is close to us in spirit and in approach to analyzing and considering the problems of the Russian economy and its regions. The thematic selection of this issue of "ECO", revealing the current state and prospects of socio-economic development of this macro-region, was prepared by the leading staff of this institute. We believe that the continuation of Pavel Alexandrovich's life's work will be the best form of respect for his memory.

"ECO" has repeatedly addressed the problems of the Far East – both in terms of the role and place of this territory in the rapidly changing geo-economic space, and in terms of analyzing its condition in the internal economic and social situation of our country.

Pavel Alexandrovich's scientific heritage is extremely diverse and extensive, and its generalization goes far beyond the capabilities of our journal format and, even more so, of an editorial column. Still, today we would like to draw the attention of our dear readers to one very characteristic feature of the development of the Far East economy, which was of great concern to P.A. Minakir and, in our opinion, needs a deep understanding and the earliest possible adoption of an echeloned package of "response measures" of various kinds (not only tax measures and those related to the manipulation of the Central Bank rate).

We have already noted¹ that Pavel Alexandrovich and his colleagues have come to the conclusion that what is important in the Far East is not only and not so much investment in major projects,

 $^{^1}$ Kryukov V.A. With profit for business and benefit for the Fatherland // ECO. 2021. No 9. P. 4–7.

but "ensuring that its infrastructure function is combined with the task of forming a 'new industrial base' in the form of creating clusters of high-tech industries and services... so-called industrial-service arcs in the southern part of the region²".

In 2019, Pavel Alexandrovich asked one of us to analyze the strategy for the development of the Far East³, and in September of this year – at the Russian Economic Congress – this analysis was updated on the basis of the latest statistical data⁴.

Unfortunately, it shows (and the papers in this thematic collection confirm this) that there is still no reason to talk about combining the infrastructural function of the Far East with the solution of the tasks of creating a "new industrial base", as well as the implementation of a socially-oriented approach to the development of the resource potential of this colossal macro-region. The traditional resource-raw material orientation of its economy is not only not decreasing, but, on the contrary, has been intensifying all these years. The resulting phenomenon of the Far East's economic development consists in a high investment rate, which is not accompanied by adequate rates of socio-economic development. As a consequence, the social component has been steadily underestimating the achieved level of economic development for many years.

Thus, according to the results of 2022, the share of investments in the gross regional product amounted to 20.8% in Russia and 28.0% in the Far Eastern Federal District; moreover, in the first half of 2023, the share of investments in Russia increased to 21%, and in the Far Eastern Federal District – to 34% (!). At the same time, real incomes in 2022 in Russia amounted to 98.6% of the previous year's level, while in the Far East – 97.8%.

What is the basis for such unfavorable discrepancies in the dynamics of investment and real incomes in the Far Eastern Federal District? A whole complex of reasons. These include the predominant

² The Russian Far East on the Way to the Future / Edited by P.A. Minakir, Institute of Economic Research, Far East Branch of the Russian Academy of Sciences. Khabarovsk: Institute of Economic Research of the Far East RAS, 2017. 395 p. [P. 95].

³ Aganbegyan A.G. Development of the Far East: national program in the context of national projects // Journal of Spatial Economics. 2019. № 3. P. 165–181.

⁴Aganbegyan A.G. Ten years since the preparation of the State Program "Socio-Economic Development of the Far Eastern Federal District" // Scientific readings dedicated to the memory of Academician RAS P.A. Minakir Yekaterinburg: Ural State University of Economics. September 11, 2023 9 p.

focus on resource and raw materials projects with a relatively low priority given to investments in the living conditions and activities of the population (obviously due to the underestimation of the role and place of the individual in solving the tasks to be solved in the complex and diverse conditions of the unique territory); the very absence of combining the infrastructural and industrial-basic components of its functionality; and the perceived "ease of administration" on the part of the government of projects based on "economies of scale".

It is not acceptable to consider the issues of development of science, infrastructure and social sphere without taking into account their interrelation and interdependent influence of various projects on each other and on the socio-economic system of the region. The "taxonomic approach" in the selection of projects for state support (paper by N.V. Lomakina) is only a weak attempt to overcome this limitation.

The most important feature of the process of forming an adequate institutional framework is its purposeful and progressive nature. The issues of cooperation, interaction and real realization of approaches in the spirit of Academician P.A. Minakir were suffered by more than one generation of outstanding predecessors, such as, for example, Eduard Eduardovich Anert, who devoted his entire life to the study of the Far East subsoil. Almost 100 years ago he providentially wrote: "Concerning the Far East the following conclusion is true: it is rich in plurality and diversity of deposits of almost all minerals, but, in most cases, it is not rich in the size of each of these deposits, why, organizing this or that mining industry, it is impossible not to keep in mind the possible need to be based not on one or another deposit, but on groups of them and on cooperation or cooperation with related small enterprises, i.e. the slogan should be "cooperation", not "competition"⁵.

Unfortunately, the issues of cooperation and interaction between the participants in various projects remain, as a rule, "behind the scenes" in the modern investment process – each of them seeks to solve its own problems outside of the projects of its colleagues. Infrastructure construction in the Far East is generally progressing, but it is often overlooked that "building bridges" between participants

⁵ Anert E.E. The riches of the subsoil of the Far East. Khabarovsk-Vladivostok: "Knizhnoe Delo". 1928. 932 p. [P. 826].

in economic projects is no less important than their construction and investment components.

In connection with the above, it is appropriate to quote Pavel Alexandrovich once again: "The institutional framework remains the most problematic area in terms of the transition to a growth economy that generates an increase in the quality of life. It seems impossible to simultaneously resolve the dual task of preserving the "stability" of institutions and ensuring the dynamic development of the economy and society"6.

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⁶ Minakir, P.A. Russian crisis: expectations vs. facts // Spatial Economics. 2018. № 1. P. 7-15.

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