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## European and Asian Russia: Specialization or Diversification?

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**Abstract.** The European and Asian parts of Russia are very different: in the former, the climate is milder, the population is many times larger, there are many jobs, high incomes. The latter is losing population – educated youth and qualified personnel leave for European Russia, or even further away, the de-industrialization of Asian regions of Russia continues – processing industries are closing. The Russian government is allocating almost 900 billion rubles for seven priority projects, the goal of which is the infrastructural development of a stagnating economy. About half of these funds will go for the development of Asian Russia. This will undoubtedly give an impetus to the development of new industries, and it is important to understand which ones of them will become the industries of specialization of the region, and which ones will contribute to higher levels of diversification of the regions of Asia (**subject of research**). Can the region itself influence the change in the structure of its economy, if its main specialization loses its relevance (de-industrialization, depletion of sources of natural resources, etc.)? To do this, it is necessary to assess the current state of the region and determine a new vector of its development. One or two selected industries of specialization should be supported by a set of related industries that can help balance the situation and make the region sustainably diversified (**goal**). Assessment and comparison of the spatial characteristics and potentials of the economies of Asian and European regions of Russia are based on the comparative analysis of current regional statistics of Russia and the analysis of publications on this issue (**method**). Comparative analysis of the sectoral structure in European and Asian regions of Russia in the territorial context confirmed significant differences in the specialization and diversification of their economies, which led to a steady slowdown in growth rates in the Asian part of the country over the past 10 years. For a greater effect during the restoration of the destroyed sectoral structure, the active participation of the regions themselves in the formation of a new structure of the economy (**results**) is necessary.

**Keywords:** spatial development of the territory, factors and characteristics, diversification and specialization, European Russia, Asian Russia.

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Research area: economics.

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## Европейская и азиатская Россия: специализация или диверсификация?

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**Аннотация.** Европейская и азиатская части России очень разные: в первой мягче климат, в разы больше население, много рабочих мест, высокие доходы, а вторая теряет население – образованная молодежь и квалифицированные кадры уезжают в европейскую Россию, а то и подальше, продолжается деиндустриализация азиатских регионов – закрываются обрабатывающие производства. Правительство РФ выделяет почти 900 млрд руб. на семь приоритетных проектов, цель которых инфраструктурное развитие стагнирующей экономики, около половины этих средств пойдет на развитие азиатской России. Это, безусловно, даст толчок развитию новых отраслей, и важно понять, какие из них станут отраслями специализации региона, а какие будут поддерживающими, чтобы повысить уровень диверсификации регионов Азии (**предмет исследования**). Может ли сам регион повлиять на изменение структуры его экономики, если его основная отрасль специализации утрачивает актуальность (деиндустриализация, исчерпание источников природных ресурсов и др.)? Для этого необходимо провести оценку текущего состояния региона и определить новый вектор его развития. Одна-две выбранные отрасли специализации должны поддерживаться набором связанных с ними отраслей, которые могут сбалансировать ситуацию и превратить регион в устойчиво диверсифицированный (**цель**). Оценка и сравнительный анализ пространственных характеристик и потенциала экономик азиатских и европейских регионов России опираются на анализ актуальной региональной статистики России и анализ публикаций по этой проблеме (**метод**). Сравнительный анализ европейской и азиатской отраслевой структуры в территориальном разрезе подтвердил значительные различия в специализации и диверсификации их экономик, что привело к устойчивому замедлению темпов роста в азиатской части страны в последнее 10-летие. Для большего эффекта в ходе восстановления разрушенной отраслевой структуры

необходимо активное участие самих регионов в формировании новой структуры экономики (**результаты**).

**Ключевые слова:** пространственное развитие территории, факторы и особенности, диверсификация и специализация, европейская Россия, азиатская Россия.

Исследование проводилось в соответствии с планом исследований ИЭИЭ СО РАН в рамках проекта 5.6.1.5. (0260-2021-0003) «Теория и методология исследования устойчивого развития компаний в высокотехнологичных и наукоемких секторах экономики в контексте глобальных вызовов внешней среды, технологических, организационных и институциональных сдвигов».

Научная специальность: 08.00.00 – экономические науки.

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**Problem statement.** Russia has the largest territory in the world on two neighboring continents—Europe and Asia. The territory of Asian Russia, according to Rosstat<sup>1</sup>, is twice as large as in European Russia, but these territories differ not only in size (1/3 and 2/3, respectively), but also in population: about 83 % of the country's population lives in European Russia (121461.1 million people) and in the Asian part of the country – about 17 % (25287.5 million people). The population density in the European part of the country – 21 people per square km, and in the Asian part – 2 people per square km, while the average population density in Russia is 8.5 people per square km. One of the factors, unfortunately, unmanageable, such large differences are the climatic conditions of the two continents separated by the Ural Mountains: the more severe climate of the Asian macroregion of Russia gradually squeezes the population into the European part with a milder climate (Mikheeva N. N., 2014). The proof of this is the rapidly growing population of the Krasnodar krai, where pensioners from the cold regions of Asia like to move, their relocation does not reduce the number of employees.

However, it is not only the size and density of the population and the climate that distinguish the European and Asian parts of Russia: over the past 10 years, estimates of the socio-economic development of the European and Asian parts of the country have differed quite significantly. The economy and the level of

social development of Asian Russia seriously lagged behind the European one (Zubarevich N. V., 2010). This is reflected in the level and quality of life of the population living beyond the Urals, which cannot but worry the Government and domestic scientists. In Asia, which is already sparsely populated, migration outflows to European Russia are increasing, especially in the Central Federal District, where wages are significantly higher than in other districts of European Russia and several times higher than in its Asian regions, with the exception of the Khanty-Mansiysk Autonomous Okrug and the Yamal-Nenets Autonomous District<sup>2</sup>. In Asia, there is a shortage of qualified personnel, and in Europe – competition for jobs! Of course, this is a serious problem that needs to be addressed.

The Russian government is launching seven megaprojects (Fundamentals of State Policy, 2017; Strategy, 2019) aimed at accelerating the development of infrastructure in the Asian part of the country. According to the plan, they should be completed in 2024. It is planned to allocate 895 billion rubles from the National Welfare Fund for priority projects. More than half of this amount is intended for investment in Asian Russia. Part of them will be received by Russian Railways for the development of the eastern part of the BAM – this is the third stage of the modernization of the BAM, as well as for bringing the Trans – Siberian Railway

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<sup>1</sup> According to the statistical collection «Regions of Russia: socio- indicators « for 2020. FSS (Rosstat)

<sup>2</sup> For the purposes of this study, the Khanty-Mansiyski and the Yamalo-Nenetskiy Autonomous Districts are considered Asian, although formally they are considered part of the Ural Federal District (Europe)

to Yakutia (for the export of coal)-with electrification, the total cost will be 700 billion rubles, 25 % of them will be financed by the National Welfare Fund. 150 billion rubles from the National Welfare Fund will be received by Avtodor for the construction of the M – 12 Moscow – Nizhny Novgorod – Kazan expressway, this is part of the international transport route Europe – Western China, the total cost is 623 billion rubles; for the construction of the Kazan – Yekaterinburg expressway with a total cost of 439 billion rubles. Avtodor will receive another 50 billion rubles from the NWF; Transmashholding will receive 97 billion rubles for the renewal of the rolling stock of the State Unitary Enterprise «St. Petersburg Metro»; the Housing and Utilities Fund will receive 150 billion rubles from the NWF for the modernization of municipal infrastructure facilities in the regions. It is planned to allocate 155 billion rubles for the economic development of the Angara-Yenisei macroregion. with a total project cost of 1.8 trillion rubles, implementation – 2022–2035.

The implementation of these projects is expected to have a multiplier effect and accelerate the development of the entire economy. The need to align the socio-economic conditions in Asian and European Russia is obvious, the decision has been made, funding is provided, and implementation begins (Ivanter V.V., 2019).

Many countries of the world with large or medium-sized territories faced and solved the same problem: in Europe, the formation of the European Union from many independent states with different levels of economic and social development led to this, and the European Commission solved it by helping and pulling lagging countries to an acceptable level. In addition to the EU (Kramar H., 2016; Pellegrin, G., Terribile F. and etc., 2016; Keidel A. 2007), this problem has been solved and continues to be solved by China (Chen A. 2010; Chen A.P., Groenewold N., 2010; Liao F.H., Wei Y.D., 2016), the Gulf states, and Indonesia (Kataoka M., 2019).

The megaproject will certainly push and accelerate the development of Asian Russia, which has lagged behind the rapidly developing European Russia, but are infrastruc-

ture projects enough for this? For example, the Siberian Federal District(FD), or rather, its capital Novosibirsk – the largest city in Russian Asia, previously considered the most diversified city beyond the Urals, has long served as an intermediate terminal between European and Asian Russia, as well as the Far East. Novosibirsk, like other major cities in the regions of the Siberian Federal District, has not escaped the deindustrialization of the economy: intersectoral and interregional production and economic ties between enterprises have been destroyed. Deindustrialization has turned the noisy industrial cities of the Siberian Federal District into quiet and clean territories with a different structure of industries (Misharin A. S., Klepach A. N., Belousov D. R., 2011). Is this a benefit for Siberian and Far Eastern cities or a loss of status? Probably both: it is probably good for the population, but these cities with abandoned, decaying, still pre-war buildings of factories and factories, have lost the opportunity to produce the products that were needed by the regions and brought them income, and now we need to find other sources of income.

**Research methods.** The assessment and comparative analysis of the spatial characteristics and potential of the economies of the Asian and European regions of Russia are based on the analysis of current regional statistics of Russia and the analysis of publications on this issue.

**Discussion.** Scientists and practitioners dealing with the spatial development of regions have not yet come to a common understanding of what is more important for the normal functioning of the economy of the country and its regions: specialization or diversification? There are many opinions on this issue: some believe that the external effects of specialization are more important (the «MAR effect»), others-the effects of diversification leading to industry diversity are more important (Mikheeva, 2016a), others believe that the outgoing branches of specialization should be reconstructed, and they should be replaced by «radically» new industries. There is also a point of view that in the course of updating the structure of industries, it is necessary to exchange knowledge

and competencies between different industry communities.

### **Specialization and diversification of regions**

The specialization of the region in this study is defined as the identification of one or two key industries that are supported by several other industries. Moreover, the industries of specialization always have national and local significance, while the supporting industries, most often are local.

In accordance with the theory of comparative advantage, **specialization** is the most important condition for the development of the national economy, therefore, the majority of industries of specialization in Russia are nationally and regionally significant. The effect of specialization of a region, or «MAR-effect, is determined by the spatial concentration of certain industries in it»<sup>3,4</sup>

A striking example of specialization is the Khanty-Mansi and Yamalo-Nenets Autonomous Districts (KMAD and YNAD). These regions with relatively small territories and populations specialize exclusively in the production and transportation of oil and gas. Activities such as transport and logistics, construction and construction materials (construction, strengthening and repair of wells) are supporting the oil and gas industry in the KMAD, whereas in YNAD supporting activities also include business IT services (digitalization), fishing and fish production (traditional food of northern peoples in the Far North). All other economic activities, including fishing, are designated as nationally important and are designed to support the main industry. However, there are 10 other economic activities with national and local significance in these regions: electricity generation and transmission, wholesale and e-commerce, insurance, water treatment and distribution, waste management, publishing, design and marketing, telecommunications,

<sup>3</sup> Glaeser E. L., Kallal H. D., Scheinkman J. A., Shkeifer A. (1992) Growth in Cities // Journal of political economy. Vol. 100. № 6. P. 1126–1152

<sup>4</sup> Grashof N., Hesse K., Fornahl D. (2019) Radical or Not? The Role of Centers in the Emergence of Radical Innovations // European Planning Studies. Vol. 27. № 10. P. 1904–1923

medical services, education, culture, tourism. It is clear that majority of these activities are necessary to support the lives of people living and working in the harsh conditions of the Far North, a smaller number – to maintain the company's prestige.

Note that the effect of specialization is manifested, as a rule, in an increase in the productivity and propensity of companies to innovate and in an increase in the technological advances in their production processes. Examples of comparative advantages are associated with the presence in the region of mineral and land resources; the advantageous geographical position of the region – proximity to the routes of global trade; human capital of the required quality (education and health, work motivation, mobility, adaptability); institutions that contribute to improving the business climate, increasing population mobility, diffusion of innovation and high-tech business.

On one hand, **diversification** supports industries of specialization, and on the other hand, increases the ability of regions to shape the sectoral structure of their region, so that they sell more inside and outside of it, rather than buy and depend on supplies from other regions.

The effect of diversification of a region or Jacobs-effect arises from the sectoral diversity of the economy of the region. So, if a region has a pronounced specialization, then it is considered not diversified, and on the contrary: in regions without a pronounced specialization, the economy is represented by a wide sectoral diversification (Yogman L. S., 2008).

### **Comparative analysis of specialization and diversification of regions of European and Asian Russia**

This study was carried out on the basis of the methodological tools presented in the Atlas of Economic Specialization of Russian Regions. The Atlas methodology suggests the division of branches of specialization into three types according to their importance:

– industries of national and local importance, that are characterized by high employment at national level and in a specific constit-

Table 1. Number of industries of specialization in federal districts (FD) of European and Asian Russia, in%, 2018<sup>5</sup>

Federal districts and two Autonomous Districts	Industry significance levels			Total
	National and local	National	local	
Asia				
Siberian FD	34	47	19	100
Far Eastern FD	32	22	46	100
UFD	40	59	2	101
YNAD	5	2	0	7
KMAD	3	11	0	14
Europe				
Central FD	58	26	16	100
NW FD	50	27	19	96
Privolzhski FD	50	44	46	100
Southern FD	36	40	24	100
North Caucasus FD	29	13	58	100
Ural FD	40	59	2	101
Ural FD excluding AD	32	46	2	80

Note: For the purposes of this analysis, two oil-producing autonomous districts (AD) from the Ural Federal District (KMAD and YNAD) are defined as Asian.

uent entity of the RF (e. g. automotive industry in the Samara region and the Republic of Tatarstan);

– industries of national importance that are noticeable at the country level, because regions with the corresponding specialization form a significant share of employment. The share of such industries in the employment of a region may be relatively small (e. g. pharmaceutical products in Moscow and construction and building materials in St. Petersburg);

– industries of local importance that are more important for the economy of their region, their share in regional employment is higher than the national average, although their contribution to overall employment is small (e. g. fishing and fish production in the Astrakhan region, shipbuilding and water transport in the Kamchatka Territory).

Branches of specialization are distributed throughout the country unevenly; they are determined on the basis of employment and wage statistics (Table 1).

151 industries are represented in the Siberian Federal District, 111 in the Far Eastern Federal District.

St. Petersburg is recognized as the most diversified city in the country, since its economy includes 46 industries, including 18 industries of national importance (specialization), 27 – of national and local importance (making it the most diversified) and only 1 industry of local importance. Cities or regions with a large number of industries are recognized as poly-industrial, which include 11 European regions (Moscow, St. Petersburg, Moscow region, Republic of Tatarstan, Sverdlovsk region, Republic of Bashkortostan, Nizhny Novgorod, Rostov, Chelyabinsk, Samara regions and Krasnodar Territory) and only 2 Asian regions – Novosibirsk region (27 industries, including 8 of national importance, 18 – of national and local importance; 1 – industry of local importance) and the Krasnoyarsk Territory (29 industries, including 9 of national importance, 19 – of national and local importance; 1 – an industry of local significance); there are no poly-industrial entities in the Far Eastern Federal District.

<sup>5</sup> Calculated based on the data from the Atlas of economic specialization of Russian regions

### **The size and employment of the population of European and Asian Russia**

The average annual number of employed people in the two oil-producing AD (KMAD and YNAD) amounted to 1.5 million people in 2019, or 9.28 % of those employed in Asian Russia, the total population of which is about 13.4 million people. The average monthly wages were: in the KMAD – 75,087 rubles, and in the YNAD – 101,012 rubles, which significantly exceeds the average national level (47,867 rubles) and the level in the Asian territory (49,041 rubles). The level of average monthly wages in the Siberian Federal District (41,310 rubles) is lower than the average for Asian Russia, and in the Far Eastern Federal District – higher (56,437 rubles). This relatively wide spread is mainly explained by the effect of regional coefficients and northern allowances for the working population. As such, the coefficients in the Siberian Federal District are the lowest: from 15 % in the Altai Territory and the Omsk Region to 60 % in the Krasnoyarsk Territory and 70 % in the Irkutsk Region. In the Far Eastern FD, they vary from 20–30 % in Buryatia to 100 % in the Chukotka AD. Regional coefficients, according to the Labor Code of the Russian Federation, compensate the working population for severe climatic conditions in the Subpolar Zone that makes up a significant part of the area of Asian Russia, as well as hazardous working conditions at enterprises and high living costs in these conditions.

In the European part of Russia, regional coefficients are also in effect, and their spread is quite wide: from 10 % in Dagestan to 80 % in Komi. However, it should be recognized that in the European part of the country there are significantly fewer territories with a harsh climate than in the Asian part. The average monthly wage of those employed in European Russia in 2019 amounted to 45,905 rubles (excluding the KMAD and YNAD). Inclusion of these oil-producing districts with high salaries, which are formally located in European Russia, has led this statistics for the region beyond Urals to exceed the European average.

Gross regional product and regional value added indicators reflect well regional specialization and diversification.

Table 2 shows the share of regions by gross regional product in the European and Asian parts of Russia, but the types of activities that formed it are not shown here. The industries that have made the greatest contribution to the economies of macro-regions are presented in Table 3.

More in-depth information on the specialization and diversification of regions of the Russian Federation can be obtained by analyzing the sectoral structure of gross value added by type of economic activity in Russia as a whole and by its regions.

The general trend by the type of activities that make the largest contributions (Table 3) is growth, with the exception of trade in three federal districts of European Russia – the Northwestern Federal District, the Southern Federal District and the North Caucasian Federal District. Trade is the most important activity that brings the greatest value added to the regions. Transportation and storage are closely related to wholesale and retail trade; since purchased and sold goods are not always located in the regions of final consumers they need to be stored and transported.

The table of the sectoral structure of gross value added by type of economic activity and in the regional context allows us to say that diversification is inherent in all regions, but its level and structure for each region and their subjects differs significantly. In those regions where there is a clearly pronounced specialization, for example, the Kemerovo region (coal and chemical production), the Krasnoyarsk Territory (not only mining, but also processing, defense and industrial enterprises), the share of the value added of other economic activities in the structure of the regional economy is rather low and therefore these regions are not diversified.

In regions where there is no pronounced specialization, the spread of values for all types of activity is approximately the same; diversification of the economy of these regions leads to more stable growth of the regional economy, especially if we take into account the availabil-

Table 2. Gross Regional Product (GRP, 2018) by regions of European and Asian Russia<sup>6</sup>, mln. rub.

Регионы России	ВРП, млн руб.	Доля региона в ВРП, %
European Region	63909162	100
Central FD	29411946,4	46,0
NW FD	9015190,3	14,1
Southern FD	5848935	9,15
North Caucasus FD	1941857	3,0
Privolzhski (?) FD	12467473,8	19,5
Ural FD excluding AD	5223759,5	8,2
Asian Region	21067562,6	100
KMAD	4447475,7	21,1
YNAD	3083544,5	14,6
Total for KMAD and YNAD	7531020,2	35,7
Siberian FD	8332425,6	39,6
Far Eastern FD	5,204,116.8	24,7

Table 3. Structure of Industrial Value Added, 2016–2017 (in nominal basic prices; percent of total)

Russian Regions	Mining		Processing and Manufacturing		Wholesale and Retail Trade		Transportation and Storage		Construction and construction materials		Information and telecommunications	
	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
<b>European Region</b>												
Central FD	0,5	0,7	16,1	17,3	24,9	25,1	6,9	7,0	5,6	4,9	4,7	4,7
NW FD	6,8	7,1	19,6	19,9	14,8	13,6	10,7	10,6	6,7	6,1	3,3	3,2
Southern FD	3,4	4,5	14,7	15,0	16,3	15,8	10,9	10,6	7,5	8,2	2,2	2,3
North Caucasus FD	0,7	0,7	9,3	9,6	19,6	19,4	5,6	5,9	11,7	11,1	2,0	2,0
Privolzhski (?) FD	12,1	13,5	23,8	23,7	12,6	12,4	6,3	6,4	7,1	6,6	2,3	2,4
Ural FD excluding AD	-	38,2	-	13,8	-	8,7	-	7,0	-	8,0	-	1,3
<b>Asian Region</b>												
KMAD	65,1	67,1	2,3	2,41,	2,8	2,8	6,8	6,6	6,5	6,4	0,7	0,6
YNAD	55,9	61,1	1,8	1,6	6,9	6,2	5,8	4,7	16,8	15,4	0,4	0,4
Siberian FD	15,7	17,8	21,0	19,5	10,7	10,3	9,0	9,3	5,7	10,7	2,0	2,1
Far Eastern FD	27,8	28,1	5,5	5,8	10,7	10,8	11,8	12,2	7,0	6,6	1,6	1,6

<sup>6</sup> Regions of Russia: socio-economic indicators for year 2020. FSS (Rosstat). M., 2020. P. 1242



ity and concentration of resources in the most competitive areas. (Mikheeva N. N., 2016b).

At the same time, the diversified economy of the region is not protected from various types of risks. The narrow specialization of the region, combined with economic activity that generates high added value, increases the risks associated with falling prices for goods produced in the region, or with falling incomes of the population. Well-diversified regions are usually regions with one or two specializations of national and local importance and 10–15 other industries of local importance and supporting industries of specialization.

#### **Advantages and weaknesses of the Asian Russian economy**

The main advantages of Asian Russia are associated with the size of its territory, rich in natural resources; in addition, Asian Russia has access to the Pacific coast, i. e. can use not only land, but also sea routes of global trade with Japan (acquisition of high technologies) and with China – the largest buyer of Russian hydrocarbons and other raw materials. It is obvious that the megaproject for infrastructure development of Asian Russia until 2024 will be an additional advantage for it.

The weaknesses of the economy of Asian Russia are largely associated with the deindustrialization of many of its regions (Ershov Yu.S., 2010). Although deindustrialization was also observed in the European part, it «hit» the Asian regions harder: many regions with developed industry and manufacturing industries lost them. This most strongly affected the Siberian Federal District with large industrial complexes, research and production clusters, factories and factories that worked not only for their regions and other Asian districts, but also for European Russia. The deindustrialization of the Novosibirsk region has almost completely «killed» its industrial specialization, it has become a region specializing in the provision of services. Roughly the same, but on a smaller scale, happened with the Kemerovo Region, Altai Territory.

Traditional industries of the real sector will inevitably be replaced by an expanding segment of services due to the emergence and development of completely new types of them and will

lead to a reduction in the share of these traditional industries, but not in the absolute values of the volume of goods production. At the moment, such types of services as «transport and logistics», tourism, engineering, IT services, incl. digital services. In large cities with airports and international terminals, in the seaports of the Far East and the Black Sea coast, customs services are developing, services of creative clusters that unite theaters, conservatories, philharmonic societies, parks, etc.; entertainment services, incl. visiting stadiums, cinemas, museums, etc. Services will develop in all without exception, but their list and number will be strongly differentiated by subject. Most of them will be in large cities.

At the beginning of 2020, already amid the coronavirus pandemic, the government compiled a list of 646 backbone enterprises in Russia (Backbone, 2000), 32 of which are represented in Asia and the rest in the European part of Russia. Obviously, this ratio reflects the real situation in the country's economy: rapid development in the European part, stagnation in the Asian part. The implementation of the Government's plans to create two additional transport corridors from Europe to Yakutia and to the Pacific coast will give an impetus to the more accelerated development of the Far Eastern Federal District, but will also affect the Siberian Federal District: new enterprises, jobs will appear, and socially significant projects will be developed.

The pandemic has dramatically increased the role of the Internet as a means of communication when working remotely at all levels in education and science, many employees of high-tech companies work remotely, food delivery services, document delivery by drones, etc. have been widely developed.

The pandemic affected the restaurant business, culture, the entertainment industry, including sports, museums, tourism, airlines and other types of intercity transport, etc., while pharmaceuticals, medical services, trade, which switched to a different service format, etc., benefited.

The pandemic has so far had a negative impact only on a narrow segment of the sectoral structure of the regions, affecting specialized

sectors (construction, industry) rather than diversification sectors. A fairly large number of employees fell ill and dropped out of the production process for a certain period. It also negatively influenced the educational process in schools, universities, colleges, schools. However, Asian Russia passes through the pandemic more easily, thanks to its wide open spaces and low population density.

### Conclusions

The spatial proportions of economic development change under the influence of certain factors slowly and inertially, in Asia more slowly than in the European part of Russia. Therefore, the development of the Asian economy requires targeted actions and a long time.

Spatial proportions prevailing in the Russian Federation:

1. Population of Asian Russia, incl. busy, little by little flows into European Russia, mainly in the western and southwestern directions, and someone further – outside the country. The population is concentrated in the 10 largest regions in terms of numbers and economic potential.

2. A significant contribution to the country's gross product per capita is made by Asian oil companies (Khanty-Mansi Autonomous Okrug and Yamalo-Nenets Autonomous Okrug) and the Sakhalin Region, as well as Moscow.

3. Over the past 10 years, the industrial potential was retained only in the Central Federal District, Volga Federal District and the Ural Federal District, in all other districts, with the exception of two AOs – Khanty-Mansiysk and Yamalo-Nenets Autonomous Okrug, the potential has decreased.

4. The sectoral structure of the regions of the Russian economy during the Soviet period was relatively balanced, although the Asian territory remained poorly populated, but industrially developed. A significant share of industrial production beyond the Urals was occupied by the military-industrial complex, which was

present in almost all federal districts and regions – in Novosibirsk, Omsk regions, Krasnoyarsk, Altai, Primorsky and Khabarovsk territories. The structure of the Asian economy included enterprises of union significance, such as Norilsk Nickel, Yakut-Almaz, the plant named after V.I. V.P. Chkalov, aircraft-building clusters, incl. aircraft and helicopter construction in the Far East, coal mining and chemical industry in the Kemerovo region, heavy engineering, etc. Little is left of diversified industrial diversity to date. The industrial development of the regions was replaced by the rapid development of the service sector of a different nature: wholesale and retail trade (occupies a high share in the GRP structure and in value added, especially in the Far Eastern Federal District); financial and IT services, which are most developed in the Siberian Federal District; education and medical services are represented in all regions of the country.

5. In the European part of Russia, population growth in rich regions is largely formed due to migration (from the district or from the Asian part of the country), and in poor regions due to natural growth. Intensive migration flows of the population from the Asian part of the country to the European one fell on 2000–08. On a national scale, in terms of the absolute number of outgoing migrants, the leaders are the Asian regions: Siberian (with the exception of Novosibirsk and Tomsk regions) and the Far Eastern Federal District. Since 2018 in Asian Russia, the intensity of outbound (outside the FD) migration decreased, while the intra-district migration did not grow. Over the past 1.5 years, the coronavirus pandemic has caused an outflow of migrants home (mainly to Central Asia), the closure of the borders does not allow them to return to work in the Russian regions (the Siberian Federal District suffers to a greater extent). The measures taken by the Government of the Russian Federation to support the birth rate, although they give an effect, are so far youthful.

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