# **Development Tools for Mining Regions of the Country**

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**Abstract.** The article is devoted to the main tools for the development of mining regions of Russia, and it is noted that the lack of real implementation of the principle of consistency of the plan and strategy for the development of a mining region can lead to an irrational and uncontrolled use of resources and space potential in the subsequent development of the economy. The article presents analytical data on the restructuring of budgetary debts in some mining regions of the Russian Federation. The author concludes that there is a need to create a policy that takes into account the following guidelines for zoning: strengthening partnerships between urban and rural areas, promoting the development of all types of transport and communications, development and preservation of cultural heritage through competent management of the region.

#### **1** Introduction

The spatial structure of each country is heterogeneous, which is associated with the specificity of regions with a varied level of development and attractiveness for investors and inhabitants. This classic typology from an economic point of view is due to different types of natural and geographical conditions. The development of any region depends on its individual characteristics, resources, qualities, such as the environment and its benefits, labor resources, economic potential, funds, financial results, the level of science, technology, culture, the size of the territory, and other benefits arising from the conditions of location.

These factors are an integral part of regional development plans (including the mining regions of Russia), according to which the regional policy is pursued, regional development strategies are created and the corresponding management structures are functioning. This is due to taking into account the specific conditions of mining regions and aspects of national policy regarding the following:

• changes in the spatial distribution of labor force, population and infrastructure;

• development of mass communications affecting population movement and raising awareness of emerging regional and national differences;

• emerging social and economic problems.

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The identification of these factors makes it possible to single out the main positions, on the basis of which it is possible to formulate a policy for the development of mining regions. Actions taken in this regard should be related to:

• the definition of development directions, that is, the identification of goals and objectives designed to improve the quality of life of residents and the functioning of the region;

• recognition of development factors, for which SWOT- analysis is used, thanks to which it is possible to determine the strengths and weaknesses of the region;

• development of the Strategy of Social and Economic Development;

• determination of the possible impact of the tools used, with the help of which the region achieves the goals of development.

#### 2 Materials and Methods

The global economy has undergone significant changes in connection with the coronavirus pandemic. The benefits and costs of integration, global supply and distribution chains have been transformed into more localized ones. The events of the last period were reflected in the processes of development of the country's regions and human capital in mining companies [1-2].

Identifying problems and needs allows you to create a strategy for the development of a mining region, which is one of the goals of regional policy. In this context, the policy pursued is related to the effective use of factors in the development of the region, appropriate management of risks and wildlife resources, environmental protection, restructuring of regions, development of entrepreneurship at the local level, incentives for investors, and rational use of state budget funds. The measures taken directly affect the realization of the interests of various groups of the population, target and stabilize the activities of state and public institutions, and also prevent tensions arising from improper management. Inadequate development policies and the inability to improve the quality of life of residents can lead to a lack of desire to participate in public life and implement civil rights.

Poorly pursued policies result in excessive differentiation of development opportunities on a regional scale. This is due to the emergence of unfavorable social and economic phenomena, such as an increase in unemployment, poverty and social exclusion, as well as the marginalization of society in not only the local, regional, but above all, individual dimensions. These differences can lead to social conflicts. Thus, the policy undertaken must equalize and minimize social barriers.

The objectives and actions of local governments should contribute to the achievement of the greatest possible economic benefit, as well as take into account society, environment and spatial dimension. The observed versatility of regional development serves to define the concept of sustainable development of mining regions.

The processes of globalization have changed the existing economic hierarchies of regions. This was due to the loss of importance of an economy based only on heavy industry [3]. The economic system began to base on existing values, such as a convenient geographic location, natural resources, the level of development of technological, social or cultural infrastructure. This has contributed to an increase in differences between regions. That is, those regions that had more resources had more chances to pursue an active economic and social policy [4-6].

In an attempt to equalize interregional disparities, the main attention was paid to differences in the pace of transition of individual spheres of life, as well as in the nature of the mining region. In order to restore the former glory of the mining region, it is necessary to take into account its unique, distinctive features of society, cultural community, traditions and resources. When identifying problems and needs, it is necessary to hierarchize them. It is equally important to determine which of them are of fundamental nature, and their solution

will help to improve the general situation and create further prospects for the development of the mining region.

#### **3 Results and Discussion**

Strategic goals are taken into account in various types of planning documents (strategies, policies, programs), which are the key forms of concretizing the development concept. The main and specific goals are determined that define the aspect of sustainable development. The primary goal is the most general; it expresses the essence of the vision of the development of a particular area. Most often, one main goal is set, which is associated with improving the quality of life of the inhabitants of the region. Unfortunately, this is a goal that cannot be fully achieved, but only to some extent.

Therefore, when setting a goal in forming a strategy for the development of a mining region, it is necessary to answer the question of what kind of development will allow realizing the primary goal, that is, improving the quality of life of the community. In this case, we are talking about social and economic development harmonized with the environment. Specific goals, in turn, must be set in accordance with specific requirements: economic, social, environmental and spatial. For this, two types of analysis can be used:

• situational analysis of institutional actors and decision-makers (DM), i.e., leaders and opponents of sustainable development, as well as conducting the so-called SWOT analysis, namely, assessing the strengths and weaknesses of this area, as well as emerging risks and opportunities;

• analysis of problems arising in a given territorial unit, which may become an obstacle to achieving sustainable development.

The main challenge for many emerging regions of the country is to implement the principles of the strategy, as well as to meet the needs for sustainable development and economic growth while simultaneously affecting the environment. This is due to the need for cooperation at all levels of administration and in the private sectors, which will allow for a rational approach and measures to protect the environment. Long-term strategic planning should focus on not only environmental, but also social and economic factors, with the help of which more effective and positive results can be achieved. It should also be remembered that the set goals and objectives, the implementation of which is aimed at improving development and leveling interregional imbalances, should not lead to over-exploitation of environment.

Thus, spatial development should not lead to the homogenization of local and regional identities that enrich the quality of life of their citizens. Therefore, such an important aspect is the preservation of the unique characteristics of the mining region. The modern world is characterized by growing economic and social integration, resulting in the erosion of internal boundaries between cities and regions, and is associated with high competition, which makes it difficult to strengthen economic and social cohesion.

In this regard, when planning a long-term strategy for the spatial development of a mining region, it is necessary first to take into account such factors as:

• a gradual increase in economic integration and cooperation with other regions;

• increasing the importance of local and regional communities and their role in spatial development.

These development factors should be considered against the background of global economic and technological changes, as well as the general demographic, social and environmental situation. If used correctly, they will form the basis for increasing the cohesion of the Eurasian territory. At the same time, it is necessary to carry out cooperation at various levels of government. This requires the creation of a policy that takes into account the following guidelines for zoning (Fig. 1).

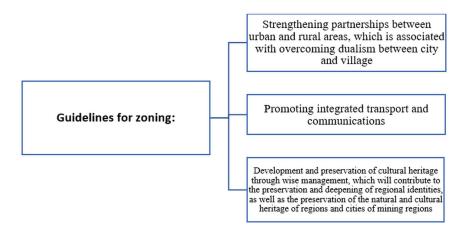


Fig. 1. Guidelines for zoning to be reflected at different levels of government.

Thus, the objectives for each of these three principles of the spatial development policy of the mining region are specified. In order to create sustainable development, they must be interpreted in accordance with the economic, social and environmental situation of the area. Otherwise, there may be a threat to development on the scale of this region and even the entire country. "The revolutionary changes in the modern world order, the crisis phenomena occurring both in local and global markets in recent years indicate that the possibilities of the natural division of labor are gradually being exhausted. Countries, even individual regions, cannot find for themselves relative competitive advantages of a traditional natural character. The obvious way out is to provide competitive advantages by technological means. We believe that the German concept "Industry 4.0", which determines the strategic development of the country, as well as the Japanese "Society 5.0", are new methodologies for the technological division of labor. We believe that Russia also needs to move in the same direction" [7].

However, in order to pursue a rational policy for the development of the mining region, it is necessary to appropriately define the competencies and main tasks at each administrative level. Some actions can be taken only at the local level; others cannot be implemented at this level – in the regional plan. However, each plan must take into account the guidelines of the higher-order units.

For example, "The strategy of the Russian Federation in the field of innovative development for the period up to 2024, 2030 and 2050" is relevant by creating a clear system of goals, priorities and instruments of state innovation policy. The strategy sets long-term development guidelines for innovation actors, including public authorities at all levels, science and the business sector, as well as guidelines for financing the sector of fundamental and applied science, supporting the commercialization of developments. The strategy is based on the results of a comprehensive assessment of the innovative potential, long-term scientific and technological forecast, and should become a benchmark for the development of concepts and programs for the socio-economic development of Russia, specific sectors and regions" [8].

According to experts, the main problems of the regions are both the revenue base and the proxies to increase it [9-12]. With the exception of a small number of donor regions, most of the country's constituent entities have a permanent budget deficit, to cover which loans, both commercial and budget, are attracted [13-14]. According to the Ministry of Finance, at the end of 2020, the total debt of Russian regions reached almost 2.5 trillion rubles, and the total deficit of regional budgets for 2020 was about 677 billion rubles (in 2019 the deficit was only

16 billion rubles, and in 2018 there was a surplus of 492 billion rubles). For this reason, the President of the Russian Federation decided to significantly ease the debt burden of the regions, giving them the opportunity to participate in organizing economic growth. For this, it is proposed to restructure bank loans to regions, including mining ones (Fig. 2) [8].

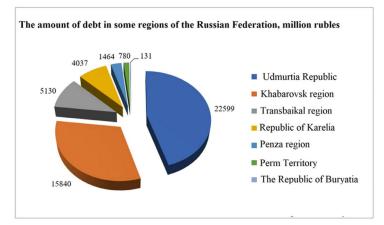


Fig. 2. Bank debt of some mining regions of Russia, subject to restructuring at the end of 2020.

The data in Fig. 2 allow us to conclude that the three leaders from the mining regions presented in terms of the amount of debt to be restructured are: Udmurt Republic -22,599 million rubles, Khabarovsk Territory -15,840 million rubles, and the Trans-Baikal Territory, the amount of debt of which is 5,130 million rubles. The Perm Territory has the least debts -780 million rubles, and the Republic of Buryatia -131 million rubles.

All mechanisms created at the national level should be transferred to the regional and then to the local level, where these regulations are specified. In other words, they are binding on microeconomic actors using space and the basis for making location decisions. Therefore, a conclusion suggests itself about the relationship between the strategy and the plan for the improvement of the mining region.

### 4 Conclusion

Summarizing the above spoken, let us define the results and provisions of the study.

1. The objectives and actions of local governments should contribute to the achievement of the greatest possible economic benefit, as well as take into account society, the natural environment and the spatial aspect. The observed versatility of regional development serves to define the concept of sustainable regional development of mining regions.

2. Spatial development should not lead to the homogenization of local and regional identities that enrich the quality of life of their citizens. Therefore, such an important aspect is the preservation of the unique characteristics of the mining region. The modern world is characterized by growing economic and social integration, resulting in the erosion of internal boundaries between cities and regions, and is associated with high competition, which makes it difficult to strengthen economic and social cohesion.

In this regard, when planning a long-term strategy for the spatial development of a mining region, it is necessary, first of all, to take into account such factors as:

• a gradual increase in economic integration and cooperation with other regions;

• increasing the importance of local and regional communities and their role in spatial development.

3. A policy should be created that takes into account the following guidelines for zoning:

- strengthening the partnership between urban and rural areas, which is associated with overcoming the dualism between city and village
- promoting integrated transport and communications;

• development and preservation of cultural heritage through competent management, which will contribute to the preservation and deepening of regional identities, as well as the restoration of the natural and cultural heritage of regions and cities of mining regions.

4. According to the author, the lack of real implementation of the principle of consistency of the plan and strategy for the development of a mining region can lead to an irrational and uncontrolled use of resources and space potential, as well as to the subsequent development of the economy. This, in turn, will lead to the fact that development will be understood only in the economic aspect, rejecting socio-ecological prerequisites, which is a denial of the principle of balanced development. Therefore, it is important to control the implemented policy, which should reflect the level at which the principle of sustainable development is implemented, for which measures of sustainable development of the mining region are used.

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