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# On the Development of Views on Management Economy of Regions in the Countries of the World

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## ABSTRACT

XXII International Conference on the History of Management Thought and Business “Development of views on regional Economic management in the countries of the world: History and modernity” was held on July 1 and 2, 2022 at the Faculty of Economics of Lomonosov Moscow State University. The event was announced in the informational paper of the journal “Management Sciences” [2022;12(1):96–98]. The participants at the conference were asked the following questions:

- Why did ideas and concepts of regional economic management arise and develop?
- How did the authors' views of the concepts of regional governance differ and what were the factors and reasons for changing these views?
- Which way and what aspect languages (political, economic, socio-cultural, etc.) were measured and estimated the concepts and results of conflict governance in managing the economies of regions in various countries of the world?
- How and why did the views change on the staffing of regional economic management processes?

Over 90 people attended the conference (in online and offline forms) – students, masters, graduate students, lecturers, scientists and practitioners from 6 countries. They had read 32 lectures and reports. This paper provides an analytical review of some of them.

**Keywords:** regions; regional economy; interregional conflicts; regional economy governance; interregional conflicts governance

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Since 1996, it has become a tradition for Russian and foreign management specialists to gather within the walls of Lomonosov Moscow State University at international conferences on the “History of Management Thought and Business” (HMT&B) to discuss topical historical and scientific problems of managing social objects or organizations. Over the years, 21 conferences were held, and on July 1 and 2, 2022, the 22nd conference on the original theme “Development of views on regional Economic management in the countries of the world: History and modernity” was held. 32 papers were discussed and historical materials on regional and inter-regional governance in Russia, as well as in Belarus, Ukraine, Spain, Brazil and Australia were presented.

We must frankly acknowledge that, despite a management history of many thousands of years, we cannot today boast of identified factors and causes of changing management systems and views on regional and interregional management.

In order to involve as many specialists in the field as possible, several rhetorical questions have been formulated in advance, as usual, which are listed in the abstract of this article and the answers to which were planned to be obtained at the conference.

The conference was opened by the Dean of the Department of Economics of Moscow State University, Professor **Alexander Auzan**, and the Deputy Dean for Science, **Alexander Kurdin**. They welcomed the participants to the conference,

wished them success and noted the relevance of the topic.

The first speaker was Professor **V.I. Marshev** from the Department of Economics of Moscow State University, who spoke on “Some results, problems and trends in the History of Management Thought”. He began by explaining the reason for choosing the theme of the 22nd conference. It was prompted by the words of Gavriil Kharitonovich Popov, the founder of the Department of Organisational Management of Department of Economics of Moscow State University, which he said in an interview on 20 September 2021 after the elections to the RF State Duma. G. Kh. Popov emphasized the relevance and necessity of development of the Russian regions through a significant increase in the provision of their resources — human, financial, material, information, etc., in order to ensure successful, and most importantly, sustainable development of the country. This led the author to investigate the history of regional economic management in the context of the development of systems and views on this issue in different countries during certain periods of history.

V. Marshev in his speech noted that the problem of interaction between the center and the regions, the administrative origin of which was very acute back in the era of ancient kingdoms, is objectively eternal. The uneven development of individual territories in the countries of the world is caused by both exogenous and endogenous reasons, which require their identification and “implementation” in the formation of a different approach to the management of the economy of the regions. Exogenous reasons are environmental (and/or geographic) factors, generating sectoral specificity and structure of the regional economy, or, for instance, pandemics, political and economic sanctions of some countries against others, which occurred in the last few years. Endogenous reasons can be considered as human, financial and other similar ones.

The rapporteur then presented a new classification of the scientific foundations of

management (see Table), according to which a “Historiography of historical-management studies” (HHMS), along with the already known “History of Management” (HM) and “History of Managerial Thought” (HMT) are included in the series of “Historical and Managerial Sciences” (HMS) [1].

The need for HHMS as an indispensable component of historical scholarship has long existed, but until the early 2000s it was “fictitious” because there were not enough publications on HM and HMT: in other words, there was a lack of HHMS objects. But then the appearance of hundreds of works on HM and HMT, and above all of monographs and textbooks (in Russian and other languages), generated interest in HHMS in order to identify the causes of such publications and the formation of scientific knowledge about the processes of creation of various, articles, etc. as the subject area of HHMS.

In addition, the presentation provided an overview of research on “Entrepreneurship as a factor of development of economic governance in the regions of the world”. The rapporteur illustrated the ambiguity of country-specific assessments of this factor over a given historical period, taking into account exogenous and endogenous causes. In the context of the conference theme, characterization of one study became interesting — how local communities in formerly developed states are perceiving industrial decline and how the historical experience of industrialization influenced the subsequent development of local entrepreneurial cultures [2]. The authors of this research paper showed how the legacy of the past persists in informal institutions, often hindering the development of entrepreneurial levels and slowing the adoption of innovative ideas and practices of regional economic management.

In conclusion, V.I. Marshev once again urged the speakers and participants of the discussions to focus their presentations and comments not only and not so much on the *facts of differences in views* on regional economic management and inter-regional conflicts, as on their *factors and*

Table

## Scientific foundations of organization management

Fundamental sciences	Applied sciences	General theoretical and historical-management sciences
Philosophy History Geography Statistics Sociology Economics Psychology Theology, etc.	Law Accounting Planning Finance Psychology of management Cybernetics etc.	The science (theory) of organizational management History of Management History of Management Thought Historiography of historical and management research

Source: compiled by the authors.

causes, following the subjects of the three above-mentioned historical and management sciences.

The report by **I. V. Dvoluchanskiy**, Senior Lecturer of the Department of Economics of Moscow State University, “The origins of the formation of ideas on the history of management thought as a science in the fundamental works of Russian researchers” was the first attempt in the country to make a *historiographical analysis* of works on history of management thought published from 1985 to 2000.

In 1985 was published the first textbook in the USSR “The History of Managerial Thought”<sup>1</sup> by D.N. Bobryshev and S.P. Sementsov, and in 1987 — a textbook of the same name by V.I. Marshev,<sup>2</sup> in which the author for the first time in the world literature introduced the definitions of two historical-management sciences: “History of the science of management” and “History of management”.<sup>3</sup>

In 1990, the works of E.B. Koritskiy from St Petersburg appeared, many of which were devoted to scientific organisation of work (SOW). In one of them, the author defines the subject of his research in the following way: “...the history of the science of labour and management explores the process of the movement of scientific and manage-

rial thought...”. [3]. In addition, he introduces the author’s term “Soviet managerial thought” (SMT), the subject of which is “the process of managerial thought movement that reflects the regularities of the formation and development of socialist economic management relations”.<sup>4</sup> The work of a group of authors headed by E. Koritskii, published in 1999 and dedicated to the study of managerial ideas of domestic authors, was the most successful.<sup>5</sup>

The disciplines of History of Managerial Thought and History of Management are actively developing, and the History of Managerial Thought is being studied as an independent academic discipline, which has led to an increase in publications: to date, more than 250 textbooks and teaching aids have been published in Russia. This prompted the speaker to start a historiographical study. At the end of his presentation, he urged the conference participants to intensify their research on this topic.

The report by Professor of Bauman Moscow State Technical University **A.D. Kuzmichev** “The Time of Troubles and the Science of Administration. To study the issue” considers the interpretations of the term “troubled times” by different authors (famous Russian historians of the XIX century N.I. Kostomarov, S.M. Solovyov, S.F. Platonov,

<sup>1</sup> Bobryshev D. N., Sementsov S. P. History of managerial thought. Textbook. Moscow: Academy of National Economy under the USSR Council of Ministers; 1985. 38 p.

<sup>2</sup> Marshev V. I. History of managerial thought. Textbook. MOSCOW: MGIAI; 1987. 238 p.

<sup>3</sup> Ibidem. p. 7.

<sup>4</sup> Koritskiy E. B. Soviet Managerial Thought of the 20s: A Brief Name Guide. Moscow: Economics; 1990. 231 c.p. 5.

<sup>5</sup> Koritskiy E. B., Nintsieva G. V., Shetov V. Kh. Scientific Management. Russian history. Textbook for universities. SPb.: Piter; 1999. 384 p.

V. O. Kluchevsky and modern authors), who studied and examined its various aspects and manifestations from the ancient times, as well as the problems of governance in the “troubled times” in the past and in the present.

The rapporteur mentioned a treatise by contemporary authors P. P. Marchenya and S. Yu. Razin, which identifies three periods of the Time of Troubles in Russian history: the first Troubles (17th century), paradigmatic for New Age Russia — the “classical” period; the second Troubles — the “modernist” period of the New Age (the Troubles of the early 20th century); the third Troubles — the “postmodernist” period of modern “New Russia” [4].

The rapporteur emphasized that when studying the processes of management of regional organizations exactly in the mentioned time intervals should be identified the implementation of all 6 functions (operations) of management, following the classification of A. Fayol [5], but a special emphasis should be made on insurance function, whose task, according to Fayol, is “to protect property and persons from robberies, fire, floods; to insure against strikes, attempts and in general against any obstacles of social character, which can cause damage to a social course and even a life of the enterprise... insurance function is any action which provides safety to the enterprise, and the personnel — a peace of mind necessary for it”. According to the rapporteur, in the Time of Troubles it is the “insurance function” in the regional governance that should be the key one.

The topic “On regional studies in Russia” was addressed in his presentation by **V. A. Aksenov**, Associate Professor at Nizhny Novgorod State University. He noted that regional studies (as a part of scientific thought) have an ancient history.

Observations, surveys, interviews, studies, experiments were used to study and describe the territory, nature, population. In the 16th-17th centuries, due to the industrial revolution and the development of production, regional markets

emerged, nations and nation states with different forms of centralisation emerged. The need for systematic studies of territorial problems and the organisation of their management appears [6].

In the nineteenth century, regional studies acquired a conceptual character with its own paradigm, becoming a science in its own right,<sup>6</sup> with the aim of explaining the causality of objects and phenomena and, as a result, adapting human society and natural conditions.

In Russia in the 18th and 19th centuries, the socio-cultural approach dominated for quite a long time. The constant advancement to the North-East (Siberia, the Arctic, Primorye) was expressed in the relocation of people from the central part of the country to sparsely populated areas and was paid off by mutually beneficial exchanges of goods or justified by ideological and political considerations (as V. N. Tatishchev, V. K. Arseniev, P. P. Semenov-Tyan-Shansky, S. Krasheninnikov, G. I. Nevelskoi and others wrote about).

Two scientific schools in the field of socio-economic geography emerged in Russia in the 20th century. The first one, which was associated with pre-revolutionary views, had a sectoral-statistical character and was led by V. E. Dan (1867–1930).

The second, which had a pronounced regional studies direction, was headed by N. N. Baransky. It included economic zoning, cartography and geographical urban studies. Under the leadership of Baransky a *Soviet regional school* was created. The first and most important stage in its formation was the development of the GOELRO plan (the first-ever Soviet plan for national economic recovery and development. It became the prototype for subsequent Five-Year Plans drafted by Gosplan) in 1920, which divided the country’s territory into economic districts to form local energy, transport, and industrial systems.

In the 1970s, in connection with the transition from the territorial principle of economic manage-

<sup>6</sup> Ritter K. Earth science in relation to nature and human history. Textbook. 1817.

ment to the sectoral one, there appeared works of socio-cultural and geographical and political-geographical nature. As a result, regional studies, a field of scientific knowledge studying the territorial organization of the economy, was formed and included in the Russian state educational standard in the 1990s as an academic discipline.

The report of the Rector of the Moscow International University, Professor **A. Yu. Maniushis** “System transformation of territorial organization and management in Russia: on the way to sustainable development (methodology and experience of historical analysis)” emphasized the relevance of formation and improvement of scientific approach to the transformation of regional organization and management, gave the basic concepts and definitions of this approach, economic and organizational mechanisms of territorial management. Based on the works of G.H. Popov and V.I. Marshev, the speaker substantiated the general methodology for studying the history of territorial management changes, which allows (in his opinion) to analyze the existing mechanism of territorial management, identify its main “bottlenecks”, systematically reform and apply it in managing the sustainable development of regions. It is also important to study the historical experience of territorial transformations. A. Maniushis made a critical review of the formation of theories of management of territorial transformations.

A systemic concrete-historical approach to reforming territorial organisation and management in Russia at the present stage, namely its “bottlenecks requiring systemic and comprehensive improvement and development”, is proposed in a recently published collective monograph, whose scientific editor is the author of the report [7].

In conclusion, A. Yu. Maniushis formulated the problems of efficiency of territorial administration and, above all, the question of the optimal number of its staff.

The joint presentation by **D. D. Bekoeva**, Associate Professor of Moscow State University,

and **S.V. Radchenko-Drayar**, Associate Professor of Sorbonne University (Paris), “The personal aspect of regional territory management” considered *personalization of environment and territory* as means of reflecting the system of social relations, forms of manifestation of common mentality of a group and community, unity in historical origins and creation of cultural symbols. As one of their arguments, the speakers used the words of I. Altman: “Territoriality is a mechanism of regulation of borders between itself and the rest, including personalization and designation of a certain place and notification of its possession by an individual, group, organization and the state”. [8].

The history of territorial management directly points to the presence of a personal dimension, the personalisation of the environment. An example is the famous Hanging Gardens of Semiramis, which were built in the seventh century BC by order of the Babylonian ruler Nebuchadnezzar II for his beloved wife, Queen Amitis, the daughter of Cyaxares, the king of Midia, to whom they were a reminder of her mountainous, green, and fertile homeland.

The ways of personalising territories and managing them can be varied: inscriptions on the house, references to the owner, fencing off parts of the territory, demonstrating their values (political, religious economic, etc.), representations of cultural and aesthetic orientation through drawings, photographs, indications of a particular time, event, etc. In all cases, the factors described above should also be considered when seeking answers to the question: “Why are territorial management systems changing?”

Professor **S.I. Neizvestny** (Financial University under the Government of the Russian Federation) in his presentation “Default logic as the main concept of regional governance in Russia” considered some specific features of regional governance in Russia in XVIII–XIX centuries, which in those times (up to the beginning of XX century) was based on the *principle of trust* between the participants of “business processes”: contractual

relations were based on “word” given by the parties to each other. Management was devoid of complicated procedures of paperwork, conclusions, contract control, and mutual interference in internal affairs. All this made the business of the time highly productive and profitable, even in the absence of accompanying tools (technologies, methodologies), which are so rich in modern management. Most management decisions were made at the regional level on the basis of trust and default logic — managers “in the field” did not need to spend significant resources of time, effort on obtaining approvals, permits, targeted instructions “from the centre”.

According to the rapporteur, research into the history of changes in regional governance and the factors that have led to them requires an examination not only of active action, but also of intangible assets such as *trust* and the *reputation* of the leaders.

Professor **M. V. Lychagin** from Novosibirsk University in his paper “Regional and Urban History through the Prism of Innovative Bibliometric Analysis based on ECONLIT” described the experience of applying methods of statistical processing of publication data (or bibliometrics), whose possibilities have been enhanced by digitalisation and development of electronic bibliographies and libraries, to study regional and urban government history.

At the same time, the author believes that a promising direction is the search and analysis of new research areas based on EconLit and the subject classification developed in 1991 — by the American Economic Association for use in the Journal of Economic Literature (JEL). Within the 20 macro-categories of JEL, there is an area of research with code N and the title “Economic History”, divided into 10 meso-categories: No. 9 is called “Regional and Urban History” and consists of 10 micro-categories, divided by continent and specific historical periods.

The report for the first time in the world literature presented the methodology and results of the

analysis of 226 publications on all the mentioned 10 micro-categories from 1998 to 2020.

The report of Professor of Kuban State University **T. T. Avdeeva** “Evolution of the concepts of municipal economy in the historical past and present of Russia” was devoted to the transformations related to the activities of local self-government, which from 1990 to 2022 passed through three stages of formation.

The first one started in 1990, when the “Law on General Principles of Local Self-Government and Local Economy in the USSR”<sup>7</sup> was adopted. In Article 10 of the Law, the notion of “communal property as the basis of local economy” was enshrined for the first time, and then, in 1991, the Law “On Local Self-Government in the Russian Federation”<sup>8</sup> was adopted. The process of formation of *municipal property* (or municipalization) as well as private property (privatization) and property of the subjects of the federation (federalization) can be considered a peculiarity of this stage.

However, a number of problems arose. Local self-governments (primarily in small district towns, villages, and rural settlements) had little or no discernible influence on privatisation processes. As a result, the majority of potentially profitable municipal enterprises “went” to the private sector, and local self-governments were deprived of the opportunity to receive more or less stable income, while taking unprofitable social-cultural and community facilities into their balance sheets, which caused a significant increase in the current expenditures of local authorities.

Another reason for the ineffectiveness of the first experience of municipalisation in modern Russia was the lack of experience and competence of municipal managers to work in an economically

<sup>7</sup> USSR Law of 09.04.1990 No. 1417-I “On the General Principles of Local Self-Government and Local Economy in the USSR”. URL: <https://base.garant.ru/5228211/?ysclid=lb26kxegs338030154#friends>

<sup>8</sup> Law of the Russian Federation of 06.07.1991 No. 1550-1 “On Local Self-Government in the Russian Federation” (latest edition). URL: [https://www.consultant.ru/document/cons\\_doc\\_LAW\\_105/?ysclid=lb26pv4ani548687385](https://www.consultant.ru/document/cons_doc_LAW_105/?ysclid=lb26pv4ani548687385)

self-sufficient regime when social facilities, sometimes exceeding the social infrastructure of a large European state, were put under management.

The second stage of local self-government reform in Russia lasted from 1995 to 2003, starting with the adoption of the “Law on the General Principles of Local Self-Government Organization in the Russian Federation”,<sup>9</sup> in August 1995. It was characterised by a slowdown in the process of rapid privatisation of enterprises and municipalisation of social facilities and by an increase in related financial difficulties. This was manifested, in particular, in the fact that municipalization of departmental social facilities took place formally, without any changes in the economic nature of their functioning and financing.

Finally, the third stage of the reform started in 2003 and is still ongoing. This is related to the adoption of the new Federal Law “On General Principles of Organization of Local Self-Governance in the Russian Federation”.<sup>10</sup> The law “On General Principles of Organization of Local Self-Governance in the Russian Federation”, which is in force up to the present day, provides for establishment of a two-tier system of local self-government on the territory of the Russian Federation, which, in turn, implies delimitation of property between municipalities of different types: urban districts, municipal areas, urban/rural settlements. At the same time, municipal property may include only that which is necessary for the implementation of the powers of local government as public authorities, while property intended for commercial use (profitmaking) must be transferred to other owners.

As a result, municipalities do not have enough money to maintain the “acquired” property and fulfil or exert the relevant powers.

In a joint report by **O.A. Pyastolov** (Associate Professor of RANEPA), **S.A. Demuria** (Master of RANEPA), **N.N. Tyutyuryukov** (Professor of Financial university) and **E.A. Arustamov** (professor of Moscow State Regional University), entitled “Comparative analysis of production factors in Russia and their special role in the regional aspect”, presented trends, methods, mechanisms and means of development of production factors (Entrepreneurial Talent, Labour, Capital, Land) in Russian regions, identified problems associated with the improvement and harmonization of the latter.

According to the authors, today the need to review the role of regional governance in the formation of new production network institutional structures, as well as their systemic interrelationships that accelerate the development and optimal use of the considered factors of production in order to ensure sustainable development of the national economy is overdue and has already manifested itself. According to the rapporteurs, the measures proposed by them to transform the region’s investment policy will help to form new sources of funding to achieve this goal.

**A. Y. Alyoshina**, associate professor of the Department of Economics of the Moscow State University, presented her report “Development of views on the management of regional insurance markets in Russia”, highlighting the main stages of changes in the insurance markets in Russia and the factors determining them.

The emergence of insurance in Russia is associated with the mention of legal norms in “Russian Pravda” (Russian Truth) (approximately XI–XII centuries), which outlined the principles of *mutual insurance*.

In the Russian Empire it was established in 1765, when the first insurance society, the “Riga Mutual Fire Insurance Society”, was created, and its state regulation was legalised during the reign of Catherine II with the manifesto “On the establishment of the State Loan Bank” adopted on 28 June 1786.

Numerous examples showed insufficient efficiency of state monopolies in the insurance market,

<sup>9</sup> Federal Law of 28.08.1995 No 154-FL “On General Principles of Organising Local Self-Government in the Russian Federation” (latest version). URL: [https://www.consultant.ru/document/cons\\_doc\\_LAW\\_7642/?ysclid=lb26wb5urh490083942](https://www.consultant.ru/document/cons_doc_LAW_7642/?ysclid=lb26wb5urh490083942)

<sup>10</sup> Federal Law No 131-FL of 06.10.2003 (version of 14.07.2022) ‘On the General Principles of Organising Local Self-Government in the Russian Federation’. URL: [https://www.consultant.ru/document/cons\\_doc\\_LAW\\_44571/?ysclid=lb2714ii6j868315858](https://www.consultant.ru/document/cons_doc_LAW_44571/?ysclid=lb2714ii6j868315858)

so in the 19th century their influence was gradually reduced, and private companies emerged.

After the 1917 revolution, the existing system of joint-stock, mutual, territorial (*zemstvo*), and state insurance was retained at first, but in November 1918, again the state monopoly was declared on this kind of activity.<sup>11</sup> All private societies and organisations in the sector were abolished and *zemstvo* and town mutual insurance societies were nationalised.

A significant reform took place in the mid-1980s with the adoption of the Law “On Co-operation in the USSR”.<sup>12</sup> The law authorised cooperatives and their associations to set up insurance institutions. In 1990 the state monopoly on insurance was legally abolished.<sup>13</sup> which is the legal basis for insurance activities and is still in force today (as amended and supplemented) was adopted.

The insurance market in general is characterised by high regional differentiation, with a limited choice of insurance products available in most parts of the Russian Federation, which has been exacerbated during the pandemic and by macroeconomic sanctions. According to the rapporteur, the establishment of regional mutual insurance societies can significantly increase access to this type of service for local organisations and the public.

A joint presentation by **A.V. Tebekin** (Professor at MSU and MGIMO), **N.V. Mitropolskaya-Rodionova** (Associate Professor at MGIMO) and **A.V. Khoreva** (Senior Lecturer at MGIMO) “The Model of Consideration (Accounting) of Management Aspects at Various Stages of Regional Economy Management” introduced the four-level model that supports decision making at various stages

of regional economy management, and includes consideration (accounting) of business cycles of economic activity: large technological (50 years), medium construction (20 years), small banking (10 years) and short (5 years). In addition, 16 binary combinations of the impact of factors on the economic entities of the region were considered: for each of them the approach and recommendations for the formation of strategies were formulated, taking into account the aspect characteristics of management at different phases of cycles of economic activity of different duration and amplitude.

The paper “Evolution of views on the marketing functionality in the management of regional economic development projects” by **S.E. Chernov**, Associate Professor of the Department of Economics of the Moscow State University, described the economic management of Russian territories as a “historically relevant problem”. Along with the expansion of the state borders over the past at least 500 years — the market space, the system of internal, inter-regional and, for some regions, international relations were formed, which prompted the need to create and improve the management of regional marketing.

According to the rapporteur, regional marketing is not only a functional but also a management philosophy for the development of economic life in the region, creates a specific market-oriented or (in an outward impact orientation) adaptive (adhocratic) organisational culture, and thus brings to life *a market-oriented concept for managing economic development* [9].

Relying on the works of foreign authors, S.E. Chernov characterized the evolution of views on regional marketing management at different stages of the life cycle of organizations. In particular, he mentioned modifications of the latter in both holistic and the concept of positive organizational behavior of employees and managers of the regional level [10], in socially responsible marketing [11], in the management of positive organizations [12].

A joint report by **R.A. Babkin** (senior staff scientist in Plekhanov Russian Economic

<sup>11</sup> Decree of the Council of People's Commissars of the RSFSR (Russian Soviet Federative Socialist Republic) of 28.11.1918 “On the organisation of insurance business in the Russian Republic”.

<sup>12</sup> USSR Law of 26.05.1988 No. 8998-XI “On Co-operation in the USSR”. URL: [https://www.consultant.ru/document/cons\\_doc\\_LAW\\_1361/?ysclid=lb27df1s9d340700060](https://www.consultant.ru/document/cons_doc_LAW_1361/?ysclid=lb27df1s9d340700060)

<sup>13</sup> Resolution No. 835 of the USSR Council of Ministers of 16.08.1990 “On Measures for Demonopolisation of the National Economy”. URL: [http://www.libussr.ru/doc\\_ussr/usr\\_17052.htm?ysclid=lb27hq9ryo556686277](http://www.libussr.ru/doc_ussr/usr_17052.htm?ysclid=lb27hq9ryo556686277)

University) and **A.G. Makhrova** (leading research scientist in Moscow State University) ‘Moscow Agglomeration as a Driver of Socio-Economic Development’ describes several stages of formation and modernisation of Moscow and the Moscow Region governance and its main causes.

The initial stage in the rise of Moscow in the 13th-15th centuries and the consolidation of settlement around it was connected with this appanage principality’s use of its favourable economic and geographical position, when security was the main factor and at the same time the criterion for regional development. It was precisely for this reason that fortress cities were built around Moscow at a distance of a day’s march of troops and densified on strategic directions.

In the pre-industrial period (from the fifteenth century — to the first half of the eighteenth century), the main reason for the development of Moscow and the Moscow suburbs was the location of handicraft and artisan industry centres, and the spread of industrial crops (hemp, flax, etc.) in the agricultural area surrounding Moscow predetermined the accelerated development of light industry enterprises.

Its active growth continued during the Early Industrial Stage (second half of the 18th century to the first half of the 19th century) in the Moscow suburbs, while the industrial boom of the 1930s and 1940s made Moscow a major centre of manufacturing industry surrounded by conglomerates of rural industries.

The industrial period of regional governance development (1860–1910) is associated with the formation of the first prerequisites for the emergence of the Moscow agglomeration. The causes were the emergence and development of railway transport, as well as the abolition of serfdom and the associated formation of the capitalist economy. As a result, centripetal flows of people and goods towards Moscow became even more active and formalised, and the processes of corporatisation of industrial enterprises and creation of shareholding companies were in full swing.

During World War I, a significant number of enterprises were evacuated to Moscow and other urban centres around Moscow and the Non-Black Earth Region from Poland and the Baltic States, which further increased the economic significance of the region in the national context and demanded increased attention to its management.

The early Soviet period of formation of the Moscow agglomeration (before 1941) was associated with such significant factors as the transfer of the capital from Petrograd to Moscow, the transition to a planned economy, and the implementation of industrialisation and collectivisation policies in the national economy.

The post-war stage in the development of Moscow and the Moscow region is due to the creation of new manufacturing industries and the saturation of the capital region with scientific, educational, and other organisations. The transport network was being modernised (development of the underground, electrification of the suburban railways, emergence of suburban bus services, etc.). Another important circumstance during this period was the enlargement of Moscow to include several cities, towns, and villages.

Thanks to effective management, the capital continued to lead the country in terms of the speed of innovation and the implementation of transformational processes in urban management, even in the post-Soviet period.<sup>14</sup>

A joint paper by MSU professor **I.V. Kuptsova** and MSU postgraduate student **N.E. Laktaeva** “Edward J. Blakely and Richard Hu’s theory of innovation territory development management using the example of Australia” examined the conditions of innovation activities in this country as part of the transition from resource-based to knowledge-based economy and new models of regional governance.

<sup>14</sup> From the authors of this article we note that in the post-Soviet period the first mayor of Moscow was Professor Gavriil Kharitonovich Popov, founder of the Department of Public Production Management, Department of Economics, Moscow State University.

Australia's main problem is that its industrial growth is predominantly in the mining and related sectors. And reliance on non-renewable resources cannot guarantee the country's future economic success and prosperity.

For the purpose of development of innovation territories in Australia, the concept of E.D. Blakely and R. Hu [13] was chosen as a methodological basis, according to which certain objects, places and territories in each city deserve special attention, the innovative potential of which can form the global competitiveness of the country. And in order to stimulate innovation and knowledge economy, Blakely and Hu propose to move to the paradigm of co-design and creation of innovative places by three levels of Australian government.

*The federal government* should play not the role of the manager of the projects or programmes it has developed, but the role of a pool of resources, allowing local organisations to use them within the framework of the adopted strategies.

*At the regional level* (states and territories), authority remains over land use — controlling a crucial component of innovation placemaking, whose quality and location are the basis for new urban innovation areas.

*Local governments* are at the centre and play multiple roles (so-called assistants, launching pads, facilitators, stimulators, co-creators), each of which helps promote innovation and allows the municipality to compete at different levels.

According to the speakers, these ideas by E. Blakely and R. Hu deserve attention when adjusting the innovation policy of regional governance in Russia.

**E.I. Kudryavtseva**, Associate Professor of the St. Petersburg Higher School of Economics, in her presentation "The battle for water: history and current state of water management in Spain" presented the historical models applied by the most arid European country.

As the trend of dehydration of territories is increasing every year [14], the topic of fresh water for Spain is not only a subject of current

management, but also a rationale for the formation of the state as a whole. One of the main factors is the historical heritage on the issue of water use, which is based on the fundamental principle proclaimed by the ancient Romans that water as the most important resource of a given territory belongs to the category of "*res publica*", i.e. the subject of the social contract.

It is this idea that has caused the most complicated socio-political problems and at the same time the basis for the most significant managerial decisions from antiquity up to the present day. Inhabitants of the Spanish Roman provinces have formed an important social construct for themselves: "water is a private matter and hydraulic engineering is a public matter", which, having survived for more than two millennia, turned out to be the centre of people's perceptions of relations in the field of water resources use.

A historical attempt to return the unified concept of water as "*res publica*" was made by the Spanish politician, lawyer, economist and historian Joaquin Costa in the revolutionary epoch of 1860–1870s. Largely thanks to his active position, two fundamental laws on water were adopted: the Royal Decree (1860) and the Code of Laws (1879). They arose from the realisation that Spanish agriculture had become a powerful global industry, the need for irrigation had increased and it was necessary to establish uniform principles of water use, public ownership of natural water sources and hydraulic works. On the basis of these laws, the first concessions were established, which evolved into the modern water supply, irrigation and sewerage companies.

In the twentieth century, special water management institutions were created, legalised by the Royal Decree of 5 March 1926 on the Confederation of Hydrography (CSH), which had full managerial and legal autonomy.

New times came in 1985 with the adoption of the "Water Law" which introduced a number of specifications defining the principles of water use in the country and, in the context of our

conference, outlined the reasons for changes in inter-regional conflict management in Spain. The first clarification is the acceptance of the unity of the hydrological cycle and is the awareness of the integrity of the water system, regardless of which “modality” of the resource is represented in a particular situation: surface or groundwater, rain or industrial run-off, sea or marsh. The second is an assertion of the primacy of public administration of water resources and the legal separation of waters to which there is general access and those for which a permit or licence must be obtained.

A report by **O.V. Stulov**, Associate Professor of the Faculty of Economics of Moscow State University, entitled “Managing the eco-development of the Brazilian Amazon region in the context of its socio-economic history. Lessons for Russia” spoke about one of the country’s potentially rich but little-studied regions, the Amazonian regions, which covers the territory of several states (an area of over 5 million square kilometres, which is approximately 61% of Brazil’s territory) with a population of 21 million people. It contains deposits of iron ore, bauxite, copper and cassiterite, mineral assets of gold, silver, diamonds, kaolin, niobium, manganese, and gas.

In 1966, the Federal Presidential Government of Castelo Branco established the General Directorate of Amazonian Development (SUDAM), tax and financial incentives were developed to attract national and foreign private investors and, to this end, the Free Economic Zone of MANAUS (ZFM) and the Industrial Pole of MANAUS (PIM) were created. However, the original objective of establishing ZFM as an *export* platform has not been achieved in practice, as it has become a window for *imports* into the Brazilian market.

In 2007, the SUDAM Reform Act was enacted to “reduce regional economic disparities in line with the requirements of the government’s Regional Development Policy”. Among the measures proposed in the document were special incentives for businesses in the region, such as a 75% reduction of the corporate tax rate (IRPF), provided

that these entities are located in Amazonia and 20% of their production is classified.

In 2019, J. Bolsonaro’s government came to power, embarking on neoliberal reforms. The new administration proclaimed a Regional Development Policy (PNDR) and the plan was approved by the SUDAM (CONDEL/SUDAM) Consultative Council by special decision no. 77 of 23.05.2019, which is still pending in Congress (the delay is due to the need to deal with the pandemic).

A large number of Free Ecological Zones are being formed in the Amazon. Discussions are underway to convert MANAUS FEZ into a Free Ecological Zone to promote sustainable development of multiple systems of healthy, socially equitable and economically viable production and to generate new potential for the area.

According to the rapporteur, the material presented could be useful for the development management of Russia’s regions, which are rich in natural resources but remote and sparsely populated.

The most representative presentations were given by the three representatives of the Institute of Regional Economic Problems of the Russian Academy of Sciences (IREP RAS). In the joint report of its scientific director, RAS academician **V.V. Okrepilov** and the director, Professor **A.D. Shmatko** “Current issues of regional development. Challenges of Public and Municipal Management” presented current and prospective research carried out by IREP. In the field of strategic planning of socio-economic development, the focus of scientific work is focused on the quality-of-life management.

The Institute conducts fundamental and applied research into the spatial development of regional economies, which is systematic and interdisciplinary in nature, and its contribution to the St Petersburg Social and Economic Development Strategy 2035<sup>15</sup> has been recognised as significant.

<sup>15</sup> Strategy for socio-economic development of St Petersburg until 2035. URL: [https://www.gov.spb.ru/gov/otrasl/c\\_econom/strategiya-ser-2035/](https://www.gov.spb.ru/gov/otrasl/c_econom/strategiya-ser-2035/)

The Centre for Regional Problems of Quality Economics, headed by V. V. Okrepilov, has formulated an approach to managing the population's quality of life in the regions, based on an optimal combination of quality economics and economic and mathematical modelling methods. For the first time in the world practice, in order to monitor the implementation of the above-mentioned Strategy, the application of the *territorial quality of life management system* is proposed.

The joint report of **A. D. Shmatko** and **A. N. Leontieva** (Head of IREP RAS Laboratory) "Motivational aspects of human resource management in public civil and municipal service in regional projection" presents the current context of human resource policy implementation in executive authorities and local self-government. The motivational component is singled out, its significance for the digital transformation of public administration is substantiated, methods of incentives for state and municipal employees are considered, approaches to the motivation of managerial personnel are characterized, the feasibility of developing methods of non-material motivation of employees taking into account the dominant type of organizational culture is substantiated. Improvement of methodological support for the management of personnel potential of state and municipal civil service in the new conditions of development of the country, taking into account regional specifics, has been proposed as a scientific task.

A joint report by **A. D. Shmatko**, **V. F. Bogachev** (Professor, Chief Scientific Officer, IREP RAS) and **A. S. Mikulenok** (Associate Scientific Officer, IREP RAS) "On the history of interregional relations development in the Russian Arctic" described the multi-year process of shaping the economic management system of Russia's Arctic regions.

The first person to realise the scale and special importance of these territories was M. V. Lomonosov, who regarded the Arctic not

only as a short transport route across the Arctic Ocean, but also as part of a country with numerous natural resources. However, the state did not give it the attention it deserved. In this regard, it is of interest to look at the changing stages of the state's involvement in managing the region's socioeconomic development and the reasons for its decisions.

During the sixteenth to nineteenth centuries, large-scale settlement of the previously nearly uninhabited Arctic regions and the formation of authorities seeking to create an environment for the indigenous peoples of the North took place. Water communication with the mainland and the organisation of special maritime expeditions to the Pacific Ocean began to develop; data on the developed territories began to be systematised and later formed the basis for geographical maps; a management system was formed to use the seas of the Arctic Ocean as transport communications, to ensure the stable development of the integrated northern territories and permanent control over activities in the Russian Arctic zone.

Increased state attention is associated with the establishment in 1919 of the Committee of the Northern Sea Route, transformed in 1928 into the North Siberian State Joint Stock Company ("Komseverput"), which laid the foundation for the future powerful production and technological potential of the Arctic zone. To solve the practical task of laying an original sea corridor from the White Sea to the Bering Strait in December 1932, the Chief Directorate of the Northern Sea Route ("Glavsevmorput") was formed under the leadership of the famous polar explorer Otto Yuliyevich Schmidt. One of the reasons for this decision was the desire of the country's leadership to pursue a unified regional policy with regard to the operation of this transport artery along its entire length from Murmansk to Vladivostok, for which purpose the territorial offices of Glavsevmorput were opened in Murmansk, Arkhangelsk and Vladivostok.

In the 1930s and 1940s, large-scale industrial development of the region continued; scientific research was carried out to explore the potential of the northern territories; and Arctic navigation and shipping along the rivers flowing into the Arctic Ocean were developed.

The period from the 1950s to 1990s saw a transition to a resource-based model of Arctic development and strategic planning of economic processes, as well as the implementation of the concept of interregional management through the creation of territorial-production complexes (TPCs).

At present, the Arctic Zone of the Russian Federation (AZRF) is a formal association of nine

regions with different population sizes (varying several-fold) and their own development strategies.

A key issue for the AZRF is the modernisation of the current regional management system. In this regard, the idea of developing a mechanism for their interaction based on the principles of horizontal integration with the mandatory introduction and implementation of Quality Management System standards deserves attention.

At the end of the conference, the participants exchanged their views and assessments of the presentations and made proposals for the themes of the next 23rd “History of Management Thought and Business” Conference in 2023.

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**Chernov S.E.** — review of reports by M.V. Lychagin, T.T. Avdeeva, O.A. Pyastolova, S.A. Demuria, N.N. Tyutyuryukov and E.A. Arustamova, A. Yu. Aleshina, A.V. Tebekina, N.V. Mitropolskaya-Rodionova and A.V. Khoreva, S.E. Chernova, R.A. Babkin and A.G. Mahrova.

**Bogachev V.F.** — review of reports by I.V. Kuptsova and N.E. Laktaeva, E.I. Kudryavtseva, O.V. Stulova, V.V. Okrepilova and A.D. Shmatko, A.D. Shmatko and A.N. Leontieva, A.D. Shmatko, V.F. Bogachev and A.S. Mikulenok.

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