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PROBLEMS OF STRUCTURAL TRANSFORMATION OF THE FAR EAST ECONOMY IN THE CONTEXT OF RUSSIA'S SPATIAL DEVELOPMENT POLARIZATION

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The article considers the hypothesis that the current policy for the development of the Far East is implemented when the process of polarization of economic activity in Russia around the core continues, which complicates the achievement of its main goals. According to the concept of "polarization reversal" advocated in this article, the policy of development of the periphery, implemented during the period of strengthening of the "core", will only lead to strengthening of the existing specialization of backward regions. This is currently observed in the Russian Far East: a significant increase in investment in the sectors of industrial specialization and transport and energy infrastructure has not led to an increase in the contribution of the Far Eastern Federal District to the national product, while maintaining a negative balance of interregional migration. At the same time, the key instrument of the "new Eastern policy" – the territories of advanced development – demonstrate efficiency in attracting investments using the absolute and comparative advantages of the corresponding locations, while their effectiveness in diversifying the industrial structure of the Far East remains controversial. The paper shows that for the southern zone of the Far East, the largest share among the cancelled investment projects falls on manufacturing industries. We conclude that the policy for the Far East development has features of a "neoliberal" approach: the state invests in transit infrastructure, while the structural modernization of the economy is carried out by free market forces.

Russian Far East, spatial development, divergence, core-periphery, territory of advanced development, economic growth.

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Introduction

More than 10 years have passed since the proclamation of the Far East as a national development priority for the entire 21st century. This call was followed by the adoption in 2013 of the state program "Socio-economic development of the Far East and the Baikal region", the goal of which was the accelerated development of the macro-region, and the indicator of this development was the growth of the gross regional product (GRP). However, by 2015, there was a sharp paradigm shift in the development of the Far East, which was called the "new economic policy" and consisted in the introduction of a number of institutional innovations in the territory of the macro-region designed to stimulate the influx of capital and labor resources. Discrepancies between the expected and actual results of these innovations contributed to the adoption of the national program for the development of the Far East until 2035. Its goals were declared to exceed the average Russian growth rates of the economy and the quality of life in the medium term (until 2024) and to stop the migration outflow in the long term.

It is rather interesting the comparative dynamics of macroeconomic indicators since the beginning of the period of government policy activation. For instance, in 2016–2022, both the GRP of the Far Eastern Federal District (FEFD; within the new borders) and Russia's GRP as a whole[1] grew at an average annual rate of about 2% per year, even taking into account the 2020 pandemic shock. At the same time, the structural contribution of the basic sectors of the Far East's economy remained virtually unchanged. Mining continues to occupy the leading position. The share of the transport industry has increased slightly. The contribution of the construction sector has increased significantly as a reflection of the construction processes in the macro-region of a number of industrial and large infrastructure facilities. The contribution of other types of activities to the structure of the Far Eastern economy remained virtually unchanged over the seven-year period.

A different picture was observed in the investment sector. The national dynamics of capital investments showed approximately 3% average annual growth in 2016–2023, while in the Far East investments grew at an average annual rate of 7%. If in 2023, investments in the national economy exceeded the level of 2016 by 28.5%, then the excess in the FEFD was 85.5%. As before, the lion's share of investments (more than 30%) is directed to mining and the transport complex (18.5%). As a result of the above trends, the Far Eastern Federal District's share in the national distribution of investments has increased from 9% in 2016 to 13% in 2023, and the share of the Far Eastern Federal District's GRP in the total GRP of all Russian regions remains at a steady level of about 6%.

What is the reason for such a discrepancy between the institutional and investment interventions carried out in relation to the Far Eastern macro-region, and the observed dynamics of its development and the continued outflow? Despite assurances from the Ministry for the Development of the Far East and the Arctic that the goals have been achieved, even a cursory analysis of official statistics indicates an ambiguity in the responses of the macro-region's economic system to the efforts being made (Minakir, 2021a, p. 10).

Theories of spatial development help to shed light on the ongoing processes. We propose a hypothesis that fully fits both the current trends in the development of the Far East and the patterns of spatial development of the Russian economy as a whole without intending to give a strict justification of the causes and patterns.

Heterogeneity of the national economic space: theoretical approaches

The heterogeneity of space and the conditions of economic activity in it is an objective given of any national economy with any extended geographical dimensions. This heterogeneity generates interregional differences in the economic structures of individual regions, and with them differences in per capita incomes, labor productivity, and

[1] The sum of the GRP of all constituent entities of the RF.

living standards, resulting in uneven spatial economic development.

If we turn to classical or neoclassical economic theory, then usually the unevenness of spatial development is interpreted in terms of factors combined under the term "resource availability", which themselves are not explained. As the economist N. Kaldor noted in his famous article on regional growth, "theories explaining wealth or poverty in terms of resource availability actually cannot offer anything special as an explanation" (Kaldor, 1970, p. 338).

Some territories are favored by the climate, convenient location, and mineral reserves. In such cases, it is said that the Territory has comparative (or absolute) advantages. However, when we come to comparative advantages in relation to processing activities, this approach proves to be untenable. It is the developed modern processing industry that is the main "attribute" of regions with high incomes. But it cannot be said that the industry will be located in regions that are "well provided" with capital resources.

Theories of location, according to Kaldor, are also unable to satisfactorily explain the geographical distribution of industrial activity. They can help explain the location of only those specific bulky goods processing activities where transportation costs are an important element and where the processing itself significantly reduces the weight of recyclable materials. But where the effect of recycling in reducing volumes is not so important, it may not matter to processing activities whether the enterprise is located near the source of materials, near the product market, or somewhere in between (Kaldor, 1970, p. 340).

Swedish economist G. Myrdal drew attention to the fact that free market competition leads not to smoothing, but to deepening interregional imbalances (Myrdal, 1957). In his opinion, the effect of market forces leads to the concentration of fast-growing industries in certain areas. Myrdal introduced the concept of cumulative (circular) causality in explaining interregional inequality. The initial advantage of the region, regardless of how it was achieved and expressed in the presence of fast-growing industries, is developing, while backward regions are increasingly entrenched in this status. The developed regions will continue developing, "attracting" labor and capital from the backward regions.

Kaldor developed Myrdal's ideas. He argued that if a region gains advantages in terms of economic growth, it will be able to maintain these advantages due to the increasing returns to scale that this growth induces (Isaev, 2022, pp. 54–55). According to Kaldor and his supporters, there is a strong positive relationship between productivity and efficiency growth and the growth rate of scale of activity (Dixon, Thirlwall, 1975). As communication between different regions becomes more intense, a region that is initially more industrially developed may benefit from a gradual opening up of trade at the expense of a less developed region, whose growth will be hampered by this first one.

Kaldor believed that the principle of cumulative causality, which explains the uneven regional spread of industrial development by endogenous factors resulting from the historical development process itself, rather than exogenous differences in "resource availability", is important for understanding the diverse development trends in different regions.

P. Krugman, in his famous article that initiated the field of economic theory under the general heading "new economic geography" (Krugman, 1991), formally showed how Myrdal's principle of cumulative causality leads to regional divergence. In his model, where the manufacturing sector is characterized by signs of imperfect competition and increasing returns to scale, three key parameters determine the spatial configuration of economic activity: 1) the share of expenditures on industrial products; 2) the elasticity of substitution of goods in the consumer basket; 3) transportation costs. These three parameters tend to evolve over time. As society developed, the share of expenditures on primary food needs decreased, the variety of consumption increased, and communication routes improved. The link between production and the distribution of agricultural land was weakening.

Regions with a relatively large non-rural population will be an attractive place for

production both because of the large local market and because of the availability of goods and services produced there. This will attract even more people from regions with smaller production scales. Thus, small changes in the parameters of the economy can have a big impact on its qualitative behavior. The population will start to concentrate, and regional inequality will increase. Once started, this process will feed on itself. This is how the principle of cumulative causality manifests itself: industrial production will tend to concentrate where there is a large market, but the market will be large where industrial production is concentrated.

The above approaches justify the spatial configuration of economic activity known as "center – periphery". J. Friedman described the center – periphery relationship as essentially "colonial", implying that the periphery tends to contribute more to the growth of the center than it receives in return (Friedman, 1963). The emergence of a polarized structure is accompanied by shifts from the periphery to the center of the main production factors: labor, capital, and entrepreneurial abilities.

However, as Friedman noted, the situation of spatial polarization of economic activity is characteristic of the initial stage of industrialization and is practically not typical of its mature stages, and even more so for the post-industrial phase of development, where the leading types of economic activity are scientific research, education, finance, planning and management. For example, by the early 1960s, the United States had practically lost the signs of a "regional nation", which was reflected in a sharp decline in public interest in regional development schemes such as the Tennessee River Valley Administration (Friedman, 1963, p. 46). Nevertheless, a number of developed economies, as well as the majority of developing ones, still face numerous problems of depressed territories.

It is worth dwelling on the inconsistency of the principle of general equilibrium, according to which any interregional inequality in the marginal products of the production factors is offset by the displacement of the latter. According to neoclassical views, the marginal productivity of factors has a decreasing trend. As a result, growing regional inequality should lead to a situation that reverses the steady flow of resources to the center and raises per capita incomes in the periphery to a level of approximate equality with the rest of the country. Here we are dealing with an equilibrium model of spatial economics, according to which optimal spatial placement is achieved when the relevant production factors are distributed in such a way that further changes between uses and locations are impossible without reducing the national product. Thus, capital will tend to flow from low-productivity areas and labor from low-wage areas to high-wage areas until spatial equilibrium is established as a result of a process of successive marginal adjustments.

We can expect that capital and labor, initially concentrated in a small number of growth poles, will gradually spread from there to other territories, as the initial development opportunities in the center are exhausted and the marginal return on factors decreases, and demand for raw materials and intermediates indicates potentially profitable investments in the periphery. In other words, the equilibrium model assumes a gradual convergence of profit margins for the various production factors used in each location.

The problem is that the available data on countries with pronounced signs of polarized development do not support this hypothesis[2].

[2] Myrdal argued that in developing countries, the effect of spreading (spillovers) of "waves" of development from the core to the periphery is very weak and does not outweigh the reverse (centripetal) flow of resources. See for more details: (Gaile, 1980). Since the late 1990s, empirical studies have begun appearing that reveal the presence of propagation effects in spatial development processes (see, for example, (Fingleton, McCombie, 1998)), however, in the vast majority of such studies, the regions of the European Union countries characterized by: a) high average level of economic and technological development, b) institutions typical of developed market economies, c) small size of the studied units – regions, and d) high population density and economic activity with relative uniformity of their distribution within the European Union. If it is possible to imagine the existence of some kind of "quasi" center-peripheral model of economic organization in the EU (see (Capello, 2009)), then the conclusions from these studies should be applied with great caution in cases of developing economies.

Disequilibrium has been inherent in countries with economies in transition from the very beginning. Technological progress, both internally generated and embodied in imported goods, services, and business processes, is almost continuous. The changes in the conditions of supply and demand are so rapid and of such magnitude that they can hardly be considered "marginal". On the contrary, they have significant multiplicative effects and generate numerous externalities. In the "cores" of national economies, these processes occur with greater intensity compared to peripheral areas, which does not contribute to the establishment of spatial equilibrium.

The continued growth of the world's largest megacities is also not in favor of the principle of diminishing marginal returns. National markets for goods produced in modern sectors are also concentrated in the largest centers. This, in turn, will lead to further investments in industries and services targeted at this market. Consequently, there may be no powerful incentives to find new and more productive opportunities on the national periphery[3]. Industrially, the periphery tends to concentrate only those enterprises whose location is largely determined by proximity to raw materials or predetermined by the comparative or absolute advantages of the territories themselves.

The above theoretical approaches, which explain the formation of the "center – periphery" system, are united by one important premise: the core, or leading region, will be the one that had the initial competitive advantages (a larger or more productive industrial sector, wider access to markets, etc.). That is, the process of core formation is historically predetermined. This radically distinguishes the current approaches from the general equilibrium model. Empirical and historical data show that the process of development of urban systems proceeds in such a way that the largest cores of the system, having occupied leading positions in the hierarchy of cities at relatively early stages of their development, then constantly strengthen the advantages of their position[4].

Is the spatial configuration "center – periphery" a trap in which national economies are doomed to permanent problems with "depressed" regions? The concept of "inversion of polarization" claims that this is not the case[5]. The inversion of polarization refers to a turning point when the trends of spatial polarization in the national economy give way to the process of spatial dispersion from the core region to other regions of the system (Richardson, 1980). At a certain stage of the spatial development of the national economy, conditions arise that make the spread of factors to other regions of the system effective. These conditions are probably related to the creation of agglomeration economies and other economies of scale in selected locations on the periphery (Brown, Lawson, 1989).

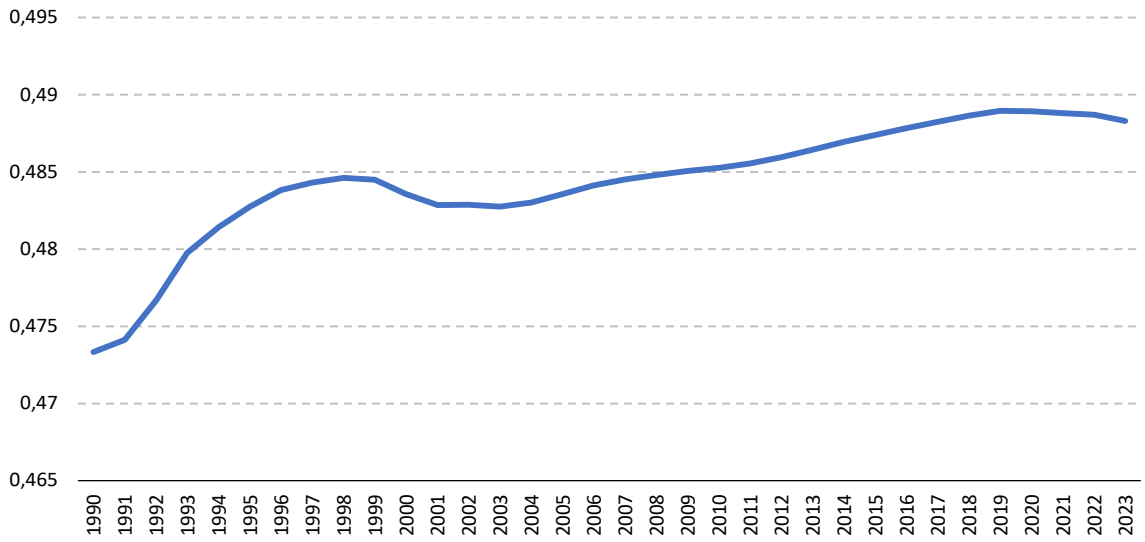
However, the spread process is very uneven, with most of the growth outside the core region occurring in a limited set of relatively large urban centers. This spatial concentration reflects the important role that agglomeration economy plays in attracting both economic activity and the population. However, it is noted that not all countries go through the evolution of spatial configurations that can be traced in more developed countries.

This raises several questions. Is the process of polarizing inversion a deterministic, predictive model, or is it a "conditional" model that can be thrown off course by the absence of certain prerequisites or the intervention of new forces? Is this process completely spontaneous (i.e. a product of market forces) or is it influenced by government policy? When should we choose the moment to intervene if politics has an impact?

[3] A. Hirschman (1958) also pointed out that the principle of automatic movement of production factors (primarily capital) in the direction of their application in places with higher marginal returns does not apply to developing countries.

[4] Bourgeois Regional Theory and State-Monopolistic Regulation of the Allocation of Productive Forces (Critical Analysis). Moscow: Mysl', 1981. 252 p. P. 119.

[5] In recent years, experts in regional economics and economic geography have begun using the concepts of "path dependence" and "lock-in". as components of an evolutionary approach to the problems of regional development. See (Lambooy, Boschma, 2001; Boschma, 2004; Martin, Sunley, 2006).



Index of dominance (by population) for Moscow and the Moscow Region

Source: Regions of Russia. Socio-economic indicators. 2002: Statistical collection. Goskomstat of Russia. Moscow, 2002. 863 p.; Regions of Russia. Socio-economic indicators. 2024: Statistical collection. Rosstat. Moscow, 2024. 1081 p.

The argument of the "moment of intervention" of the state in the process of inversion of polarization implies that the policy of spatial dispersion will have maximum effectiveness if it is implemented close to the point of rotation of polarization (Richardson, 1980, p. 69). The conclusion of this argument is that premature intervention – that is, during a period when polarizing forces are strong – may be ineffective. It will certainly be costly in terms of resources (for example, the opportunity cost of infrastructure investments in medium-sized cities). Resource flows are more likely to consolidate the specialization of the region targeted by such a policy.

Polarization of economic activity and the development of the Far East

In terms of spatial development, the Russian economy is currently showing signs of increasing polarization around its core, the Moscow Metropolitan Area. This can be indirectly judged based on the calculation of the so-called index of dominance (El-Shakhs, 1972):

$$P = \frac{1}{n-1}\sum_{i=1}^{n-1}\left[\frac{1}{(n-i)C_i}\sum_{j=i-1}^{n}(C_i - C_j)\right] = \frac{1}{n-1}\sum_{i=1}^{n-1}P_i$$

where C – population of the subject,

n – number of subjects in the system,

i, j – subject's rank by population in descending order (the largest subject has rank 1, the smallest – rank n),

P_i – index of dominance of subject i in relation to all subjects with lower ranks.

The index shows the degree of dominance in terms of population concentration in the largest city or area of the national economy. The closer its value is to unity, the more the core of the national economy dominates (in terms of population) over its other spatial parts. Such an index was calculated for the city of Moscow together with the Moscow Region over a period of more than thirty years from 1990 to 2023[6] *(Figure)*. There is a pronounced tendency to increase the dominance of the core of the national economy, which is the Moscow agglomeration, which continues with some deviations throughout the period covered[7].

[6] The total population of Moscow and the Moscow Region, which can be roughly considered the population of the Moscow agglomeration, was chosen as a single entity. The same is true for Saint Petersburg and the Leningrad Region. New territories were not included in the calculation.

[7] See also (Kolomak, 2019; Nefyodova, Treyvish, 2020; Bufetova, 2022).

Similar trends are indicated by simple statistics of interregional migration in the federal districts over the past few years, reflecting the migration process to the country's central regions. There is still an acute problem of outflow from the Far East. It was recorded an absolute influx of population to the macro-region in 2021, but this was due to the general economic recovery from the 2020 pandemic shock. If one can try to link the high volatility of the overall negative migration balance, which also takes into account international migration flows, mainly from the CIS countries, with the economic instability under the influence of external shocks of various kinds, then persistently high negative values of the balance of interregional migration signal the continued outflow from the Far East to other Russian regions. With the exception of the Chukotka Autonomous Area, the Far Eastern Federal District regions show a negative balance of interregional migration.

We can state, therefore, that the policy for the Far East development is being implemented during a period of continued concentration (polarization) of the population (and economic activity) around the core of the national economy, which leads to serious difficulties in its implementation. Investment pumping has so far led to the consolidation of the established specialization of the macro-region. Although, given the nature of large-scale investments in the Far East (infrastructure and large industrial facilities), it is possible that there may simply be large lags between investments and their actual return.

According to the B2B GLOBAL[8] Internet portal of investment facilities under construction, at the end of 2024, 401 investment facilities were listed in four southern regions of the Far Eastern Federal District[9], of which almost 44% (175) related to activities related to the manufacturing industry, agro-industrial complex, and fish farming *(Table)*. At the same time, of the 142 projects that are in the status of cancelled or suspended, about 60% are projects in the field of processing, agriculture and fish farming. The high percentage of cancellations of projects specifically in the field of recycling indicates the existence of a fundamental reason for this state of affairs.

What is the role of priority development areas (PDA) in the processes of diversification of the sectoral structure? This issue cannot be ignored, since the PDAs are the main institutional instrument that has been assigned the role of structural restructuring drivers of the macro-region. The Far Eastern PDAs can be classified into three types. The first type is platforms created specifically for megaprojects

Investment projects of the FEFD southern zone

Constituent entity of the Federation	Investment projects			among them: cancelled/ suspended		
	Total, units	among them: manufacturing, agriculture, fish farming		Total, units	among them: manufacturing, agriculture, fish farming	
		units	%		units	%
Primorye Territory	196	83	42.3	71	39	54.9
Khabarovsk Territory	143	61	42.7	46	29	63
Amur Region	50	25	50	19	11	57.9
Jewish Autonomous Region	12	6	50	6	4	66.7
Total	**401**	**175**	**43.6**	**142**	**83**	**58.5**

Source: B2B GLOBAL investment facilities under construction map data. Available at: https://bbgl.ru/maps/ (accessed: 01.2025).

[8] https://bbgl.ru/maps/projects (accessed: 01.2025).
[9] Primorye Territory, Khabarovsk Territory, Amur Region, Jewish Autonomous Region.

of large national corporations. (plant "Zvezda" in Bolshoy Kamen, gas chemical complex in the Amur Region). The second type of PDAs includes sites whose specialization is determined by the specialization of the regions themselves. This comprises all territories specializing in the extraction of natural resources. Finally, the third type is the "universal" PDAs created in the southern zone of the Far East, which were originally planned to attract investments in a wide range of manufacturing industries and which were intended to serve as the basis for the diversification of the Far Eastern industry.

As time has passed since the introduction of new preferential regimes in the Far East, we can argue that those projects that "fell" into the established specialization of regions and certain locations have proved to be relatively effective. In other words, projects that realize the absolute and comparative advantages of the respective locations. From this point of view, the absolute benefit is obvious for projects implemented in the first two PDA types. The situation is different with the third type of PDAs, which were supposed to attract a wide variety of residents in the manufacturing industry.

Agro-industrial production was identified as a key specialization for the south of the Primorye Territory, where there were all the prerequisites for the development of this type of activity. These include: 1) big areas directly adjacent to the largest agglomeration in the Far East, which represents both a fairly large sales market and a labor market, and 2) relatively well-developed logistics, into which massive investments were directed even during the preparation of Vladivostok for the APEC summit. We can argue that the agro-industrial complex in the south of the Primorye Territory is developing relatively efficiently.

A different situation is typical for the south of the Khabarovsk Territory. Initially, specialization in the manufacturing industry was identified as the key for industrial sites here. However, time proved that such expectations were too high. There are very few implemented projects in this area. However, there is investment activity in the transport and logistics sector. Khabarovsk itself, due to its geographical location, is positioned not so much as an industrial hub, but as a supporting transport and logistics hub in the southern zone of the Far East. This is its economic comparative advantage. As a result, residents have emerged in recent years, including large federal companies building large warehouse and distribution centers.

The above suggests that the policy for the Far East development is being implemented during a period of continued concentration of the population (and economic activity) around the core of the national economy, which leads to serious difficulties in its implementation on the economic periphery. The investment "pumping" leads to the consolidation of the established specialization of the macro-region[10]. There is no Russian or Far Eastern specificity in this (see above about the concept of "inversion of polarization"). Both the Far East and Russia face the difficult and non-trivial task of channeling resources that would ensure a qualitative transformation of the parameters of the regional reproductive system.

Does this mean that in the context of the ongoing polarization of economic activity, the wrong moment was chosen to intervene in the implementation of the development policy of the Far East? Not at all. First, based on these considerations, waiting for the "right" moment can last as long as desired, whereas in the light of the national policy of "turning to the east" the problems of the development of Russia's eastern suburbs cannot be ignored at the highest government level. Secondly, the nature of the peripheral development policy seems to be a more important condition for development effectiveness than the actual moment of intervention. The point of reversal of polarization will be more likely to be a watershed between the factors that make it difficult or concomitant to successfully implement this policy.

[10] However, we can assume, given the nature of large capital investments in the Far East (infrastructure and large industrial facilities), that there may be large lags between investments and their actual returns (the Amur Gas Processing Plant is the most striking example).

On the scale of national economies, two principal approaches, or recipes, can be distinguished to ensure accelerated growth and structural restructuring of the economy. One of them is based on the idea of a free market and minimal government intervention in the processes of economic transformation. This is the so-called neoliberal model of development. Under this model, the State should provide the necessary amount of public goods (including infrastructure). It should not manage the allocation of resources or set the direction except in rare cases. The only thing that should be relied on is competition as a reliable principle of human activity that increases well-being. Any form of protectionism and subsidies in accordance with this model will slow down efficiency.

In contrast to the neoliberal model, which assumes a consensus among the elites regarding the benefits of efficiency and growth of more or less free markets, including high integration into the global economy, the so-called "developing state"[11] model is based on the following principles (Wade, 2018):

1) the priority is to achieve high and sustainable economic growth rates to close the gap with developed countries;

2) very high level of investment in GDP to ensure a rapid shift in the production structure toward higher-productivity activities;

3) the priority of advancing some sectors and functions ahead of others, through state-owned enterprises or private businesses, into sectors where they would not otherwise enter;

4) the need to curb consumption growth to free up resources for investment;

5) state industrial policy should be aimed at import substitution, but at the same time focus on the import of non-consumer capital goods and intermediate products through a managed trade policy rather than free trade.

We can say that the model of development of the Russian economy at the present stage is rather characterized by the features and attributes of a developing state. This can hardly be considered a fully conscious policy. Compliance with a number of attributes is more forced than strategically determined. However, the development policy of the Far East mainly has the attributes of a neoliberal approach. Despite the fact that the scale of government investments in the construction of the Far Eastern transport infrastructure has generally decreased since 2012, they still remain significant. But infrastructure is fundamentally different from the one that appears in the production functions of neoclassical growth models. It is not a production factor that "expands" the bottlenecks of the macro-region's economic system[12]. For the Far East, this is a typical economic sector that focuses entirely on exogenous demand, rather than a framework in the form of infrastructural public goods that increases the "throughput" of the local economy.

The direction of private (and quasi-public) investment flows is regulated by the mechanisms of the free market and the principles of commercial efficiency. Institutional innovations in the form of PDAs, to a certain extent, offset the problem of increased costs of doing business in the Far East, but they are practically powerless in attracting new types of activities with a high share of added value, as it was thought when creating these development mechanisms[13].

Conclusion

What is the outcome of the modern period of the Far Eastern development? Suffice it to say that no drastic changes have been achieved either in the field of macroeconomic dynamics or in the social sphere of the macro-region, despite the administrative efforts being made. Judging by the objective indicators of official statistics and indicators reflecting the number

[11] This is the model of development used by the modern economies of South Korea and Taiwan.

[12] However, it is such at the level of the Russian economy as a whole.

[13] However, A.E. Savchenko sees signs of a developing state in the development policy of the Far East. His approach is based on the interpretation of a developing state from the standpoint of economic sociology, with an emphasis on the role of the Ministry for the Development of the Far East and the Arctic. Nevertheless, he concludes that the development policy is characterized by "a traditional approach to the development of the region through large government programs and corporate projects" (Savchenko, 2022, p. 71).

of people still leaving the macro-region, the expectations of residents have not yet been fulfilled. It is impossible to ignore the scientific heritage of P.A. Minakir, who devoted a significant part of his efforts to the problems concerning the Far Eastern development, in particular, to the analysis of policies aimed at such development. His concept of motivational cycles for the development of the Far East is well known (Minakir, Prokapalo, 2010). P.A. Minakir distinguished the dichotomy "economic growth – economic development" in relation to the goals of current policy. He emphasized that the goal of development is actually being replaced by the goal of growth (Minakir, 2021b).

Growth is the simplest form of dynamic change. It is expressed in a quantitative change in certain, usually very general integral indicators that describe the state of the economic system at a certain point in time. Growth may be accompanied by an increase in the efficiency of the resources used in themselves, but if it is not accompanied by a redistribution of resources between industries and their areas of application, this is not development. Growth can occur even without qualitative changes in the economic and social parameters in the region.

Development, on the other hand, means a mode of functioning of the regional system in which not only quantitative but also qualitative changes occur. This is a mode of operation that focuses on the positive dynamics of the parameters of the level and quality of life, the business environment, and institutions, ensured by a sustainable and balanced reproduction of the resource, economic, and social potential of the territory (Minakir, 2022).

It is possible to ensure growth by itself by massive pumping of resources into the specialization sectors. Thus, the rapid growth of the Far East at the junction of the 2000s and 2010s was provided by the influx of federal money into construction, including the main infrastructure. However, to maintain it, it is necessary that such a massive influx of resources is not interrupted. And this is due to their diversion from other territories, where they can be used with higher returns. It is becoming increasingly difficult to ensure the accelerated growth of the Far East through the resource sector and the transit of Pacific cargo.

This implies the critical importance of the order of steps taken in the implementation of regional economic policy. The resource maneuver should be accompanied by a demand maneuver, without which we can only expect the hypertrophied development of the resource sector – the growth of the Far East according to the model of the regional export base without involving endogenous sources.

Both the Far East and Russia as a whole face the difficult and non-trivial task of channeling resources that would ensure a qualitative transformation of the parameters of the regional reproductive system. So far, this task is far from being solved, and the content of the latest Far Eastern development programs clearly indicates this. If, when developing development programs, or rather, economic policy in general in relation to the Far East, ways are found to launch and self-support the region's endogenous sources of growth, there are chances of success.

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