

SPATIAL MOBILITY AND ECCENTRICITY OF ECONOMIES

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The report tests the influence of exogenous factors (exchange rates and oil prices) on some spatial characteristics of national and sub-national economies (openness, factors' mobility and eccentricity). The basic hypothesis of the report is as follows: the more developed and diversified is an economy the less sensitive is it to these exogenous factors. In addition, the higher is the share of service sector in gross product structure of an economy the less is distance between the spatial centers of its GP and population (eq. less eccentric the latter are).

The author's previous investigations of the sensitivity have revealed several empirical results interesting from macroeconomic viewpoint (Valiullin, 2005; 2007). In particular, the influence of exchange rate (ER) and oil price (OP) factors on the distribution of inflow investment (both domestic and foreign) between Russian regions was determined as very unequal and essentially depending on their abundance in natural resources. And recent author's investigation (still unpublished) has revealed that both the trade and investment openness (TO and IO) of Russian regions have different sensitivity to the ERs and OPs' movements. It was empirically shown that Russia's economy is spatially much more eccentric than the U.S.'s one. At the same time in both the countries their population and GDP were identified as spatially less mobile than inflow investment.

Macroeconomic indicators' shifts and eccentricities might be viewed both as integrative and very illustrative measures of spatial disequilibrium of an economy. They reflect long-run changes in economic space akin to tectonic processes in geologic world. Too high sensitivity of spatial development of an economy to exogenous factors leads to spatial divergence of main economic factors location and therefore creates high risks of negative economic and social consequences. Knowing the nature of ER and OP's influence on spatial characteristics of any economy allows its monetary authorities work out their economic policy quite relevant to a geographically and industrially well balanced economy.

Such exogenous ER and OP factors are rather bringing destabilization to economies spatially heterogeneous by location of production factors – labor (population) and capital (natural resources, investment). It is the eliminating of those external factors' consequences that is of crucial importance while the government policy of regional development is in theoretical elaboration and practical implementation.

References:

Valiullin H., 2005, The FDI Space Heterogeneity // *Frontiers of Diversity. Explorations in Contemporary Pluralism*. Plaw A. (Ed.), Rodopi B.V., Amsterdam/New York, NY 2005. XXII. Valiullin, H., 2007. Russia's Economic Space: Currencies, Oil, Investment// *Studies on Russia's Economic Development*, No.18 (2).