

Tolyatti's Innovation Prospects as Estimated by Its Residents

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Abstract

The article deals with social and economic aspects of reforming the city of Tolyatti. Authors have analysed several development programmes involving innovative technologies, which pertain to the production diversification based on the creation of favourable infrastructure for entrepreneurship. The article presents survey materials of questioning Tolyatti residents about the prospects for the city's further development. Analysis of the survey results has shown that more than half of respondents connect the city's development with automotive industry. Half of the survey participants think that the city's image depends on the image of cars manufactured by the AvtoVAZ plant. Many residents associate the vision of future Tolyatti with the image of an automotive capital.

Keywords: *innovative development, city image, city residents, city development plans, social and economic reforms, production performance, automotive industry*

1. Introduction

Under conditions of Soviet society, Tolyatti was an automotive capital of the USSR. Its residents were proud of the Volga Automobile (AvtoVaz) Plant — in 1970–1980, it manufactured most advanced products which were in great demand not only in our country, but also abroad. With a highly developed social infrastructure established on the basis of large industrial enterprises, Tolyatti could be rightfully considered a showcase of the socialist way of life.

In the years of reforms, social facilities were transferred under the jurisdiction of municipality, which resulted in reduced financing and deterioration in the spheres of public health service, education, sports, etc. New AvtoVAZ owners from abroad consider the plant a source of income and think in last place about the fact that its employees need decent living conditions in urban environment. In particular, the AvtoVAZ management plans to increase car production by 25%, while wages and salaries are reported to grow only by 1% (Chernov, 2012). Amid the crisis, Tolyatti, with the mass media's help, became a symbol of modern Russian monotowns (or single industry cities), and to get rid of this label has happened to be more difficult than to obtain it.

2. Methods

At present, there is no national concept of social and economic development in the country formulated for the various categories of settlements including small, medium, and large cities of oblast subordination. Regional development programmes do not aim to uncover cities' capacities. "However, it has become a commonplace assertion that the overwhelming part of the country's available, but unused potential for development (financial, economic, demographic, intellectual, and cultural) is concentrated in the cities" (Krinichansky, 2008, 70).

On 07 July 2010, the *Comprehensive Programme for Social and Economic Development of Tolyatti Until 2020* was approved (Russia, Resource Centre for Strategic Planning, 2011). The document consists of several parts and includes both investment and social development projects. The programme was based on the solution of two problems, being the provision of new jobs in Tolyatti and diversification of the city's economy. In sight of future expansion of the labour

market, a set of investment programmes (SIP) has been implemented within the framework of social and economic development in Tolyatti Urban Okrug.

The *Strategic Development Plan for the City of Tolyatti Until 2020* involves about twenty investment projects. The implementation of these projects will obviously create employment opportunities within Tolyatti.

3. Results

As a result of the comprehensive programme for social and economic development, a total of 134,000 new jobs are planned to be provided in Tolyatti by 2020 (of which 110,000 will be temporary ones), and the fulfilment of investment projects will provide 37,000 more positions. A huge work has been done within two years, in order to put into practice the plans described in the strategic documents. In particular, a lot has been achieved in fighting unemployment and assuring enough work positions. As of today, the unemployment rate in Tolyatti is 1.2%, whereas in 2010, at the height of the financial crisis, this figure exceeded 10%. However, ensuring the employment of population is not the only, though pressing, problem to be solved in a monotown — there is also a range of issues related to the improvement of the level and quality of life.

In the case of Tolyatti, this is due to the characteristics of the modernization processes: the positive economic consequences of diversification expressed by the new jobs being created and the increasing profitability of enterprises, are not accompanied by affirmative changes in the citizens' lives. Particularly, this was shown by the results of an all-Russian poll conducted in July 2012. Two cities in Samara Oblast, namely Samara and Tolyatti, were mentioned in the list of the cities whose residents were least satisfied with the quality of their lives. "The number of respondents satisfied with life totalled 41% in these cities, while in Russia as a whole the same index was twice as high (83%)" (VolgaInform, 2012). According to experts, the attitude towards life is influenced by such factors as sustainable working and employment conditions, income level, business conditions, effectiveness of the authorities, development of public health service, leisure opportunities, political situation in the region, and amount of attention paid by the authorities and business to the region. The worse these factors are, the less optimistic population is.

In order to study the residents' attitude to life in a monotown, in February 2014, Sociology section's staff and students from Tolyatti State University conducted a survey for the residents of Tolyatti. A total of 996 respondents aged 18 to 60 years were interviewed. These age limits were chosen in order to study the opinion of people characterized by the highest employment capabilities. The questioning was conducted on the basis of proportional quota sampling among the residents with a permanent job. Sex and age served as the criteria for the allocation of quotas. The survey was conducted according to the respondents' place of residence in all city districts. This sampling model allows to correctly distribute data within the coverage error of $\pm 5\%$ for the significance level of 0.05 on a scale of Tolyatti. The data were processed with the help of SPSS 20 software.

The specificity of a monotown has been manifested in the fact that a significant part of the employable population work for the city forming enterprise. Public consciousness of the urban community is largely determined by social attitudes of the AvtoVAZ employees.

Depending on the enterprise type the respondents work for, they were represented by the following social groups: a quarter of respondents were AvtoVAZ workers; 15% of respondents worked for other joint-stock companies; a quarter of respondents worked for public (municipal) institutions; and one-third of respondents were employees of private enterprises.

Results on public awareness of the *Strategic Development Plan for the City of Tolyatti Until 2020* were distributed as follows: 16% of respondents believed that they were enough informed; 39% had partially heard about it and considered their awareness insufficient; and 45% of respondents were not aware of the contents of this document. Thus, approximately a half of the working-age population were informed about the plans of Tolyatti's social and economic reforming.

A strategic priority is to provide an industrial and manufacturing special economic zone (SEZ) in Tolyatti, specialized in the production of new generation high-tech automotive components for both Russian and foreign car manufacturers. Today, the city's dependence on AvtoVAZ reaches 60%, while the implementation of the strategic plan until 2020 will allow to reduce this dependence to 28–32%. The strategic plan will also attract anchor investors and large companies to the SEZ that should be minimally related to the automotive industry. Thus, these investors will provide a new impetus for education: specialist training, creating IT and science parks will change the structure of employment and create jobs for "white-collar workers".

Assessing the prospects for change to the situation in Tolyatti in connection with the SEZ construction, the respondents expressed the following views: a third of respondents were optimistic because they believed in a change of

the current situation for the better; approximately one-third of respondents believed that the situation will not change significantly; pessimism was characteristic for 4% of respondents; and 28% of respondents were undecided.

Distribution among the AvtoVAZ workers was close to the average one for the sample. Survey participants working for other joint-stock companies and public (municipal) enterprises were inclined to an optimistic forecast by 5% more often than the others. However, the workers of other joint-stock enterprises found it difficult to answer the question by 5% more often. The respondents working for private enterprises were by 5% more likely to believe that, in connection with the SEZ construction, the situation in Tolyatti will not change.

Hopes for positive changes in connection with the SEZ construction were more often expressed by those respondents who believed that local authorities were able to defend the interests of the territory at the highest level. On the contrary, pessimism about the SEZ is related to the fact that the respondents did not trust local authorities and believed that all decisions are made at a higher level of government.

Responding to the question about how the status of a monotown affects the image of Tolyatti, 14% of respondents chose a positive answer, considering that it allows to pay attention to the city's problems on the part of regional and state authorities.

28% of respondents rated it with more reserve and chose "Rather positive", believing that it makes one wonder about the prospects of the city. 14% of respondents believed that the status of single industry cities reduces their prestige, and 8% of respondents were of a negative opinion, believing that it forms a negative attitude towards the city. 7% of respondents thought that the status of a monotown has a neutral influence, and 29% of respondents were undecided. Thus, approximately a half of the survey respondents believed that the status of a monotown has a positive influence on its image, because it allows to obtain government support for economic development. However, the other half of respondents did not share this opinion.

When asked about the prospects of the city's development, two-thirds of respondents reported public health service as the priority sector to be developed. This answer was more common in questionnaires completed by medical and health workers, trade personnel, production workers, educators, and culture professionals.

More than half of the survey participants associated the city's development with the automotive industry. This answer was most often chosen by engineering professionals, qualified workers, and drivers.

Two-fifths of respondents believed that it is necessary to pay attention to education as an important resource for the development of the city. This sector was important for educators, culture professionals, service personnel, and qualified workers.

Transport sector acted as a priority for a third of respondents: it was more common in questionnaires completed by drivers, managers, and law enforcement officers.

A quarter of respondents recognized the importance of the cultural sector for the city's development. It was more often highlighted by educators, cultural and service workers.

One-fifth of respondents paid attention to small and medium sized business. The priority of this sector was more often recognized by entrepreneurs.

Information technology and chemical industry were chosen by 13%–14% of respondents. Information technology was important for educators, culture workers, engineering professionals, and law enforcement officers.

6% of respondents considered it necessary to develop tourism. This sector was often chosen in office workers' questionnaires.

Men marked the automotive, transport, and chemical industries and information technology more often than women among the priorities of the city's development. Women were more likely to focus on health, culture, and education.

Defining the priority sectors in Tolyatti development by the respondents is aligned with assessing the monotown status. Those survey participants who perceived it as a negative phenomenon, believed more often than others that it is necessary to develop education, culture and public health service. Respondents who had a positive attitude to the monotown status, more often than others highlighted the importance of information technology, entrepreneurship, and chemical industry. Interestingly, among the representatives of both groups there was approximately the same number of those who recognized the importance of the automotive industry.

As of today, the domestic automotive industry has been integrated into the world market. This is due to the fact that, on the one hand, domestic cars are forced to enter into competition with foreign companies and, on the other hand, domestic consumers have the opportunity to choose between cars produced by different manufacturers and brands. This problem is directly related to Tolyatti citizens, as they act both as producers and consumers of the automotive industry. In December 2010, the Department of Sociology of Tolyatti State University conducted a survey for Tolyatti residents, in order to explore opinions about the role of domestically produced cars in their lives. A total of 793 people were

interviewed. Men and women were represented in approximately equal ratio of 53% and 47%, respectively. According to their age, the respondents were divided into two groups: people aged 18 to 40 accounted for 51%, and those aged over 41 made up 49%.

Table 1. Respondents' answers to the question: "What do you think should be done to improve the competitiveness of domestically produced cars and domestic car brands?"

Measures for improving competitiveness	% of the whole sample
Improve the quality of cars	72
Follow a flexible price policy taking into account the financial possibilities of buyers	33
Improve the design, make cars distinctive	32
Increase the interior comfort	31
Consider the needs of different categories of people when creating the product range (youth, women, pensioners, cottagers, etc.)	27
Introduce new driving features	26
Reduce fuel consumption	26
Improve maintenance service	24
Increase the warranty maintenance period	19
Make cars more eco-friendly	18
Provide more spacious interior/boot	14

When answering the question about the measures to be taken to improve the competitiveness of domestically produced cars and domestic car brands, three-quarters of the survey participants expressed the need to improve their quality.

One-third of respondents chose the answers associated with offering a flexible pricing policy, improving the design and interior comfort.

About a quarter of the survey participants believed that it is necessary to consider the needs of different categories of people when creating the product range. The same number of respondents believed that it is necessary to introduce new driving functions, reduce fuel consumption, and improve maintenance service.

Less than a fifth of respondents believed that the key to improve the competitiveness of domestic cars lies in increasing the warranty maintenance period, making the cars more eco-friendly, and providing more spacious interior/boot.

Representatives of the group aged up to 40 were more likely than respondents aged over 41 in favour of higher quality of domestic cars, design improvements, higher interior comfort and maintenance service.

Along with that, men were more likely than women to note that domestic cars need to improve the quality, follow a flexible pricing policy, reduce fuel consumption, improve maintenance service, increase the warranty maintenance period, and provide more spacious interior/boot.

Women were more likely than men to believe that it is necessary to improve the design, and make cars distinctive.

Table 2. Respondents' answers to the question: "In your opinion, what influence does the reputation of cars produced by AvtoVAZ have on the reputation of Tolyatti?"

Opinions about the connection of the city's image and the image of AvtoVAZ products	in %
Positive influence: AvtoVAZ cars' fame increases the prestige of the city both in our country and abroad.	19
Rather positive influence: Tolyatti is the capital of Russia's automotive industry.	38
Rather negative influence: Tolyatti is perceived as a bedroom community by AvtoVAZ.	18
Negative influence: opinions about the cars undermine Tolyatti's reputation.	25

The 2012 study addressed the issue of how the quality of cars produced by AvtoVAZ influences Tolyatti's reputation. The interconnection between Tolyatti's image and the opinion of cars manufactured by the city-forming enterprise is presented in the table above. About a fifth of respondents believed that the opinion of the AvtoVAZ products has a positive influence on the image of the city. Two-fifths of respondents commented more cautiously, referring to the tradition from the Soviet era, when Tolyatti used to be the capital of the domestic automotive industry. 18% of respondents believed that the image of AvtoVAZ products has a negative influence on the city's reputation.

A quarter of the respondents had an unambiguously negative assessment, stating that a negative opinion of the cars reduces the Tolyatti's prestige. Men were more likely than women to believe that connection between the opinion of

AvtoVAZ products and evaluation of the city is positive, while women, in contrast, often expressed a negative point of view on this issue.

4. Conclusions

Tolyatti is one of the largest monotowns whose problems have become sharp amid the global financial crisis. Starting from 1960s, Tolyatti has been developing as the Soviet Union's automotive capital, and, during this period, AvtoVAZ became the city forming enterprise. On the eve of the crisis, the city economy was dependent on AvtoVAZ for more than 60%.

Upgrading technologies used and modernization of production raises a great number of contradictions. The modernization of production is associated with large social losses, which result not only in unemployment. Under the conditions of Soviet society, many social institutions in Tolyatti were financed by the companies' budgets. Modernization deprives social institutions of this support, which has a negative impact on the lives of citizens. It is obvious that, without successful development of industrial and technological base, no further improvement of the socio-cultural sphere of the city is possible. However, at the present stage, it is impossible to go back to the old model of Soviet-era cities, which has been repeatedly implemented in Tolyatti — the one when the city was declared an all-union construction site and yet another industrial facility was built in record time, while the development of social and cultural institutions was carried out with whatever funds remained.

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