



**The Institute for  
Urban  
Economics**

# **Russian Metropolitan Areas: Economic Structure and Urban Spatial Models**

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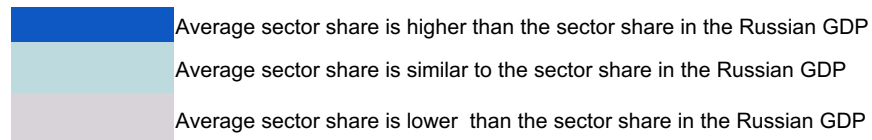


# Economic structure of the major Russian agglomerations varies – gross metropolitan product losses due to economic restrictions of March-April 2020 are different

- MAs with the modern urban highly-diversified economy have the relatively high share of service sectors (consumer personal services as well as business services)
- MAs with resource or industrial economy are characterized by relatively high share of traditional sectors, public administration and social services financed by the government

Average structure of the gross metropolitan product by 3 types of the Russian metropolitan areas

Type of the metropolitan economy	Manufacturing industry	Finance, real estate, IT, other business services	Education and healthcare	Resources	Personal consumer services (retail, leisure, hotels etc.)	Public administration and safety	Transport and energy
1. MAs with the modern urban economy	20%	30%	10%	0%	20%	10%	10%
2. MAs with the resource economy	10%	10%	10%	30%	10%	15%	15%
3. MAs with the industrial economy	30%	10%	10%	0%	20%	15%	15%



# The trap of well-developed urban economy: the most developed metropolitan areas are the least sustainable to the urgent economic restrictions

**BUT they could adapt faster through the expansion of distant work models**

Type of the metropolitan economy	The share of working economy, % GMP	The share of stopped economy, % GMP
1. MAs with the modern urban economy	<b>44%</b>	<b>56%</b>
2. MAs with the resource economy	<b>67%</b>	<b>33%</b>
3. MAs with the industrial economy	<b>56%</b>	<b>44%</b>



**In March-April Moscow MA lost every day 0,15% of GMP while Surgut MA (gas mining) only 0,09% of GMP**

# Urban Spatial Development of the Russian MAs – high-density multistorey suburbs and every day commuting to the city center for work

- Huge every day traffic induce the pandemic risks as well as worsens the ecology and the quality of urban life as a whole
- The COVID distress could encourage more rational urban development in Russia through lowering the demand on the office work in the big cities centers and increasing the demand on living in more far distant areas
- Meanwhile suburbs could build-up by the low-density single-family structures which could be used as a main or second home by the city residents
- The challenge of the shift to the remote working for the Russian MAs is restructuring the demand on the city commercial real estate and land as a whole – the new uses should be found but it depends on the economic structure shift followed by the working model shift

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