

Mechanisms for creating territories for outpacing socio-economic development in the Far East of Russia

Mecanismos para crear territorios que superen el desarrollo socioeconómico en el Lejano Oriente ruso

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ABSTRACT:

Based on the analysis, improved mechanisms for the creation and development of TASED have been formed, which can improve its efficiency, clarify establishment mechanisms, and develop mechanisms for its development. The analysis revealed a number of systemic problems, such as absence of legally fixed norms and rules that regulate the work of TASED; establishment mechanism does not provide for fixed principles for the formation of future TASEDs, etc.

Keywords: TASED; the Far East; development institutes; mechanisms; organizational and economic mechanisms; creation; development

RESUMEN:

Con base en el análisis, se han formado mecanismos mejorados para la creación y el desarrollo de TASED, que pueden mejorar la eficiencia de los mismos, aclarar los mecanismos de establecimiento y desarrollar mecanismos para su desarrollo. El análisis reveló una serie de problemas sistémicos, como la ausencia de normas y reglas legalmente establecidas que regulan el trabajo de TASED; mecanismo de establecimiento no establece principios fijos para la formación de futuros TASED, etc.

Palabras clave: TASED; Lejano Oriente; institutos de desarrollo; mecanismos; mecanismos organizativos y económicos; creación; desarrollo

1. Introduction

The creation of the territory for advanced social and economic development (TASED) in the Far East is associated with the long-term prospect of mutually beneficial integration of Russia in the economic and political space of the Asia-Pacific region and the existing problems with the insufficient development of the Far Eastern territories. Currently, one of the key trends in the development of the Russian economy is the accelerated development of the Far East, caused by the insufficient development of the processing sector of the economy, given the high development potential. All this is necessary for the development of

foreign economic relations, the diversification of the economy and the development of the real sector of the economy. It was for the solution of these problems that such territories were formed.

The main objectives of TASED are to create favorable conditions for improving the investment climate and accelerating economic development.

Thus, TASED improves the investment climate and provides all conditions for residents to implement their investment projects. For residents, this allows for implementing their project with minimal risk of the possibility of attracting foreign capital (CDFE, 2018; Press Service, 2018).

As a result, TASED residents can quickly reach the payback period of their projects due to the provision of tax and customs privileges, as well as obtaining administrative preferences. All this allows reducing costs, which leads to shorter payback periods for projects.

As of the beginning of 2018, 18 TASEDs operate in the Far Eastern Federal District, while a part of the residents of the majority of TASED has already begun operating in the territories and are actively producing their products (CDFE, 2018).

2. Methods

In the course of the research, the methods of comparative analytical, trend, empirical, and logical analysis were used, which were used to analyze the existing legislation that regulates the work of organizational and economic mechanisms for the establishment and development of TASED in the Far East of the Russian Federation.

The comparative-analytical method was used to analyze the existing TASED legislation with the legislation of special economic zones (SEZs). This made it possible to identify elements of organizational and economic mechanisms that are absent in the legislation regulating the work and mechanisms for the establishment and development of TASED but are present in the legislation of SEZ.

The empirical research methods allowed finding shortcomings of existing organizational and economic mechanisms, which allowed finding ways of their future development.

Logical research methods were used to determine the problems of existing organizational and economic mechanisms for the creation and development of TASED, to find ways to modernize them and to clarify the recommendations for improving these mechanisms.

3. Results and discussion

The creation of TASED in the Far East is associated with the long-term prospect of mutually beneficial integration of Russia in the economic and political space of the Asia-Pacific region and the existing problems with the insufficient development of the Far Eastern territories. Therefore, the identification of "points of growth" or "areas of advanced development" having the potential for accelerated development relative to the surrounding area is an effective direction for the development of competitive industries in international commodity markets.

These territories should ensure the development of the region's industry and the export orientation of production. The following aims were set:

1. Ensuring further progressive development of the economy
2. Economic diversification
3. The transition from raw material economy to commodity processing economy.

Subsequently, the Federal Law of the Russian Federation as of December 29, 2014, No. 473-FZ "On the territories of advanced social and economic development in the Russian Federation" was adopted. This law legislatively fixed the definition of territories for outrunning socio-economic development, the procedure for entering territories into the TASED list and what benefits they are granted.

According to the Federal Law No. 473-FZ of 29.12.14, TASED is a part of the territory of a constituent entity of the Russian Federation on which special conditions for the performance

of entrepreneurial and other activities are established with a view to creating favorable conditions.

The main objectives of TASED are to create favorable conditions for improving the investment climate and accelerating economic development.

TASED assumes the application of a special legal regime for the implementation of entrepreneurial activities: that is, offering substantial tax and customs benefits to its residents, as well as benefits for rental payments and infrastructure connections. The residents are granted reduced tax rates for the following as tax benefits: income tax, property tax, land tax, and unified social tax. In addition, the TASED residents can attract foreign labor without considering quotas, they are provided with shorter terms of provision of public services, and also a ready infrastructure within TASED is offered.

Having analyzed the existing legislation, it can be determined that TASED has a number of characteristic features:

- Clear geographical boundaries;
- Specialization of the territory on certain types of entrepreneurial activity;
- Availability of tax benefits;
- Availability of customs privileges;
- Benefits for attracting foreign labor;
- A special procedure for connecting residents to the necessary infrastructure;
- Provision of land to the residents;
- Provision of legal advice to the residents.

However, in terms of its characteristics, TASED is not the first type of zones with a special economic and legal regime: dozens of similar special economic zones are distinguished in the history of the world economy, such as duty-free zones, technopolises, free port zones, offshore zones, business development zones (free entrepreneurship) (Andrianov, 1997; Zimenkov, 2012; Karagulyan et.al., 2007; Basenko and Taranov, 2016). However, among the vast variety of special economic zones and their legislative definitions, including also TASED, one can single out the general essence: in the country, in a certain territory, a preferential tax regime and a duty-free turnover regime are established, and there is also the isolation of monetary, financial and trade relations to other territories of the state, which improves the investment climate and improves communication with world markets.

According to the International Convention on the Simplification and Harmonization of Customs Procedures, held in Kyoto on May 18, 1973, the free zone means a part of the territory of the country where goods are considered as objects outside the national customs territory (the principle of "customs extraterritoriality"); therefore they are not subject to normal customs control and taxation. That is, a special economic zone (SEZ) is part of the territory of the country with a special operating regime (Prihodko and Volovik, 2007).

Proceeding from the above, it can be argued that TASED is a new type of special economic zone and fundamentally does not differ from them.

Thus, if TASED is one of the types of special economic zone, one can use the experience of applying SEZ to modernize the organizational and economic mechanisms for the creation, functioning, and development of TASED.

The main problems of TASED are mainly considered from the economic and organizational and legal aspects. As a rule, researchers identify the following problems:

- Various legal issues (Ivanenko and Biryukova, 2016);
- Significant reductions in tax base volume (Makarov, 2017);
- Lack of the required investments amount (Smirnov, 2015);
- High-risk factors in the implementation of projects in the framework of TASED (Smirnov, 2015);
- Other factors.

The listed problems of TASED work have a certain influence on their work and the work of their residents.

However, the overwhelming majority of studies do not consider the institutional problems of

TASED work and the work of TASED development institutes in terms of the institutional economy.

Currently, considering the current legislation, TASED has a number of systemic problems. At the same time, most of the problems are of an organizational, economic and institutional nature. It should be noted that the identified problems relate not only to TASED located in the Republic of Sakha (Yakutia) but also other TASEDs in the Far East.

Since the authors have previously proved that TASED is a special case of special economic zones, then it is possible to present SEZ requirements to TASED. Thus, it is necessary to compare the existing legislation of SEZ and TASED in the Russian Federation and what identified problems of SEZ can be transferred to TASED. For the analysis, existing legislation and data from TASED development institutes were used, namely, the Ministry of Economic Affairs of the Russian Federation, the Government of the Republic of Sakha (Yakutia) and Corporation for the Development of the Far East JSC.

The Federal Law No. 473-FZ as of December 29, 2014 "On the Territories of Advanced Social and Economic Development in the Russian Federation" has the following basic data (Federal Law No. 473-FZ, 2014):

- Basic concepts such as TASED, a TASED resident, the TASED management company, authorized federal body and infrastructure have been defined;
- The process of creating TASED is revealed;
- The process of termination of the existence of TASED is revealed;
- The main responsibilities of the participants in the management of TASED - the supervisory board, the authorized federal body and the management company, are determined;
- The legal status of the TASED residents and the specifics of their activities at TASED were determined;
- The specifics of the exercise of the powers of state authorities, local self-government, and the social insurance fund for TASED are indicated;
- The measures for the creation and development of TASED are outlined in general terms.

It should be noted that in most of the above points of the Federal Law there are no clear definitions and unambiguousness.

Next, the authors analyzed the basic information that reveals the creation, work, and development of special economic zones, which are spelled out in Federal Law No. 116-FZ as of July 22, 2005 "On Special Economic Zones in the Russian Federation" (Federal Law No. 116-FZ, 2005):

1. The basic concepts are defined, which include the definition of a special economic zone, a management company, and a cluster;
2. The objectives of establishing SEZ are disclosed;
3. SEZ types are defined;
4. Conditions for establishing SEZ are defined;
5. The process of creating and terminating the existence of SEZ is disclosed;
6. The main duties and authorities of SEZ management members - the SEZ management body and the SEZ management company;
7. The legal status of SEZ residents is disclosed;
8. The process of concluding agreements on the activities of residents of SEZs as well as their validity period, rules for changing conditions, termination and termination of the agreement has been determined;
9. Guarantees are provided to SEZ residents.

Thus, the current legislation shows the main differences:

- TASED does not have certain conditions for creation, in contrast to SEZ. Despite the fact that the current legislation regulates only the basic conditions for the creation of SEZ by the ownership of land plots in certain categories, TASED does not even have general principles for placement;
- The decision to continue the work of SEZ is only based on an analysis of the effectiveness

of their work, while the methodology for assessing efficiency is also legally fixed. At the same time, the TASED legislation does not yet provide for legislatively fixed methodologies for assessing effectiveness.

- The existing TASED legislation does not provide for the provision of certain guarantees related to its activities, in contrast to SEZ.

Based on the above, it can be concluded that the existing TASED legislation, although it determines the key points of the establishment and development of TASED but lacks the specificity that is available in the legislation of SEZ.

Further, an analysis of the activities of the development institutes of TASED was carried out, which is disclosed in the current legislation. It is the institutions of development that realize the work of organizational and economic mechanisms. As a result of the analysis of the activities of these development institutions, the following institutional and organizational-economic problems were identified:

1. The location of TASED is not always optimal and is located remotely from infrastructure facilities. At present, the principles of placement are not embedded in normative legal acts. In some cases, TASED sites are located in the suburbs of the nearest large settlements, where vital infrastructure for the required capacity is vital for production - as a rule, it is required to seriously upgrade the infrastructure networks, which postpones the opening of TASED for residents and substantially increases the budget burden for the state.
2. TASED managing companies currently have a wide range of functions and can duplicate the functions of the administration of municipal formations. For example, the TASED management company has the right to "function as a multifunctional center for the provision of state and municipal services". In such cases, duplication of functions of the administration of the municipal formation and the manager of TASED are possible. In the future, this can lead to various conflicts related to servicing the TASED residents in providing state and municipal services.
3. When selecting applications, the spatial development of the region is not considered. For the most part, these are self-sufficient projects focused on the production of finished products. However, this is not always advisable - it is also important to take into account the possibility of dividing the production process between TASED as an integrated production chain. Such projects can involve cross-sectoral and interregional potential, as well as they can optimize costs. Such projects can also be used for the strategic development of Russia's regions, as they involve a number of industries in different regions and can lead to the integrated development of the Far East. That is, the existing TASED regulations and the selection of applications for the potential TASED residents do not consider the possibility of an interregional division of labor and the implementation of complex projects that cannot be implemented within the framework of a single TASED.
4. The creation and development of TASED occurs in the absence of the necessary regulatory and legal acts that regulate the requirements for the development of the TASED infrastructure, the procedure for analyzing the effectiveness of TASED, the procedure for approving the development strategies of TASED, and there is no legislation regulating the control over the implementation of TASED plans.

The above-mentioned problems are mainly due to the absence of specific statutory criteria for the placement of TASED, the delineation of powers between management companies and the administration of municipal formations, the approved methodology for evaluating the effectiveness of TASED, the rules for monitoring the execution of plans and the TASED connection with the development strategies of several regions in the Federal Law as of December 29, 2014 No. 473-FZ "On the territories of advanced social and economic development in the Russian Federation".

Based on the identified problems in the work of organizational and economic mechanisms for the creation and development of TASED, the authors have developed a number of recommendations that can be aimed at their solution:

1. It is necessary to formulate specific principles for the location of future TASED in order to reduce budget expenditures for the construction of the necessary infrastructure. It is

proposed to have future TASEDs closer to infrastructure facilities (electricity, gas supply, water supply, and water disposal) and transport and logistics centers, if available and available. However, it is also necessary to take into account the possibility of building a new infrastructure ("from scratch") when planning the placement of TASED, if it is not available and will lead to the development of nearby settlements in the future and improve the quality of life of the population and/or lead to the development of industry outside TASED. It is also necessary to create TASED on land plots that belong to the corresponding TASED specialization of land categories. For example, if the planned TASED specializes in industry, then it should be created on a land plot belonging to the category of industrial lands. If TASED specializes in tourism, then it should be allowed to create such TASED on land belonging to the forest fund category, if it is environmentally and economically feasible.

2. Amend the Federal Law No. 473 "On the Territories of Advanced Social and Economic Development in the Russian Federation" to differentiate the powers of the administration of municipal formations and the TASED management company:

Grant exclusive right to the TASED management companies to perform the functions of MFC for the provision of state and municipal services;

Legislatively fix the implementation of checks of residents in conjunction with representatives of executive authorities and tax inspections.

3. In order to consider the spatial development of the region in the selection of applications requires a very comprehensive approach. To begin with, it is proposed to give priority consideration to applications of promising and strategically important projects. When considering such projects, it is recommended that they are considered as a priority, the accelerated procedure for assigning the status of a TASED resident and with funding from the Far East Development Fund. Also, it is necessary to consider the spatial development of the Far East as a whole to optimize the arrangement of promising productive forces. When implementing complex projects, it is recommended to consider the possibility of distributing the production chain in the territories of several TASEDs to optimize costs.

If projects are accepted that involve the use of several TASEDs to make a distributed production chain, it is necessary to conduct an analysis of the feasibility of such projects and, if the project is economically feasible, support it. This will allow for carrying out complex projects to organize resource-intensive and knowledge-intensive industries and will lead to an accelerated transition to the processing economy.

For an effective and long-term solution to the problem of spatial development, it is necessary to develop a system of long-term strategic planning and management, focused on the use of TASED. Strategic planning should help in TASED management system to make optimal and most effective decisions. For this system, various methods of forecasting the state of the economy are proposed, such as correlation-regression analysis for assessing the potential dependence on factors, the Holt-Winters method for estimating the potential demand of the products of the TASED residents, expert assessments for forecasting the state of industries, etc. Thus, the strategic management will be based on sound forecasts.

TASED strategic management should have a number of characteristic properties for its most effective work:

Variability of the management system for effective adaptation to changes in internal and external factors that may affect TASED. At the same time, all possible changes in the external and internal environment must be taken into account, and all changes should be reflected in the TASED management system in order to increase their efficiency;

The management system should take into account and evaluate the impact of factors on TASED;

Purposeful development of TASED - this is expected to be achieved through the development of the concept of development of TASED with the definition of the main ways of development in the spheres of industry. This is necessary for the future creation of an industrial cluster and synergies.

Considering social interests - the strategic goals of TASED should include the interests of the population of TASED and the region, and the work of TASED itself should be aimed at improving the quality of life.

Systemic and integrated management and planning - strategic and long-term objectives of TASED should be interconnected with the economy of the region, the TASED residents and the population. Also, the preconditions for limiting the work of the TASED in the strategic perspective, which are formed at different levels of work, should be considered: at the level of organizations, municipal and regional levels.

Consequently, the new organizational and economic mechanisms will take the following form, presented in Table 1.

Table 1
Proposed organizational and economic mechanisms
for the creation and development of TASED.

The organizational and economic mechanism	The proposed changes
The mechanism of TASED creation	The need to formulate specific principles for the establishment of TASED, which include a number of factors: availability and proximity of infrastructure facilities, the need to build infrastructure facilities, the ownership of a land plot to a certain category of use.
The mechanism for ensuring the work of TASED	Legislatively delineate the powers of the TASED management company and the administration of municipal formations to improve the budgetary performance of TASED
The mechanism of TASED development	When developing TASED, it is necessary to consider the strategic development of the region, add the possibility of implementing projects on the territory of several TASEDs and develop and implement the TASED strategic planning system.

4. Conclusion

Thus, in implementing the above recommendations on the formation of the concept of strategic management and forecasting of TASED, as well as measures to implement complex and strategic projects, it is possible to effectively develop the economy of both the subjects of Russia and the economy of the regions of the Far East. The introduction of proposed institutional and organizational and economic mechanisms for interaction between federal and regional development institutions for the effective operation of TASED will lead to the development of strategically important industries, increased competitiveness of goods in the Far East and commodity international markets, which will increase the welfare of the Far East. The proposed recommendations will allow reducing costs by optimizing the infrastructure costs associated with its location, develop at the expense of TASED neighboring territories of the subjects of the Russian Federation, and the delineation of powers will increase the budgetary efficiency in providing state and municipal services to the TASED residents. The proposed concept of strategic planning and management will achieve maximum results in the strategic and long-term prospects and will allow implementing complex and strategically important projects more efficiently.

The implementation of all the above recommendations will improve the budgetary effects of spending on TASED, as well as increase the likelihood of success of TASED resident projects through the application of approaches to the integrated development of regions and the development of synergistic industries that may be located on the territory of several TASED.

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