Artículo de investigación

Institutions of regional development in the infrastructure support of the regional economy

Институты регионального развития в инфраструктурном обеспечении экономики региона

Recibido: 12 de octubre del 2019 Aceptado: 10 de dkiciembre del 2019

Written by:

Andrey E. Plakhin¹³⁶

ORCID: 0000-0003-1379-0497

Ekaterina S. Ogorodnikova¹³⁷

ORCID: 0000-0002-8299-6934 Tatiana V. Kochergina¹³⁸

ORCID: 0000-0002-9042-8128

Tatiana I. Guseva¹³⁹

ORCID: 0000-0003-3942-5519

Maria V. Selezneva¹⁴⁰

ORCID: 0000-0002-0597-6331

Abstract

The article examines the role of regional development institutions in the infrastructure support of the socio-economic development of the constituent entities of the Russian Federation. Changes are revealed at the meso-economic level that are possible in the post-industrial development of the economy of the constituent entities of the Russian Federation. As a result of the study, it was concluded that 48 percent of the total funds available from regional development institutions accounted for the five leading regions: the Republic of Tatarstan, Moscow and Moscow Regions, Lipetsk, Kaluga Regions and St. Petersburg.

By the share of gross regional product (GRP), the list of regions was headed by the Kaluga and Lipetsk regions, which is explained by the large volumes of investments attracted through development institutions and the relatively small size of the regional product and the population of these regions. The authors summarize the experience of managing regional development institutions, conclude that it is necessary to increase the degree of influence on the development of the economic and social infrastructure of the regions of the Russian Federation as a whole, as well as to eliminate

Аннотация

статье исследуется роль институтов регионального развития в инфраструктурном обеспечении социально-экономического развития субъектов Российской Федерации. Выявляются изменения мезоэкономическом уровне, которые возможны в постиндустриальном развитии субъектов Российской экономики Федерации. В результате проведенного исследования сделан вывод, что 48 процентов от общего объема средств, имеющихся у институтов региональных развития, приходилось на пять ведущих регионов: Республику Татарстан, Московскую Московскую области, Липецкую, Калужскую области и Санкт-Петербург.

По доле валового регионального продукта перечень регионов возглавили Калужская и Липецкая области, объясняется большими объемами инвестиций, привлеченных через институты развития и относительно небольшие размеры регионального продукта и численности областей. населения данных Авторы обобщают опыт управления региональными институтами развития, делают вывод о необходимости повышения степени влияния

¹³⁶ PhD in Economics, Head Department of Management, Deputy Head of the Management and Information Technologies Institute, Ural State University of Economics.

PhD in Economics, Associate Professor, Department of Management, Ural State University of Economics.

¹³⁸ PhD in Economics, Associate Professor, Department of Management, Ural State University of Economics.

¹³⁹ Senior lecturer, Department of Management, Ural State University of Economics.

¹⁴⁰ Senior lecturer, Department of Management, Ural State University of Economics.



regional imbalances in development. The main directions in the implementation of this approach

Creation of an organizational mechanism for the formation of management structures coordinate socio-economic development (for example, project administrations) on the territory of several constituent entities of the Russian Federation or several municipal entities within the framework of one constituent entity of the Federation.

Development of financial mechanisms to support the activities of these inter-regional and intermunicipal administrations (hereinafter referred to as project administrations).

Improving the mechanisms of interaction between state and municipal authorities, public organizations and other civil society institutions and business structures operating in the territory of several constituent entities of the Russian Federation and / or municipalities.

Key Words: Social infrastructure; regional development institute; public-private partnership

на развитие экономической и социальной инфраструктуры регионов Российской Федерации в целом, а также устранения региональных дисбалансов в развитии. Основными направлениями в реализации такого подхода являются:

Создание организационного механизма формирования структур управления для координации социально-экономического развития (например, проектных администраций) на территории нескольких субъектов Российской Федерации нескольких муниципальных образований в рамках одного субъекта Федерации.

Разработка финансовых механизмов для обеспечения деятельности этих межрегиональных и межмуниципальных администраций (далее - администрации проектов).

Совершенствование механизмов взаимодействия государственных муниципальных органов власти. общественных организаций других институтов гражданского общества и бизнесструктур, действующих на территории нескольких субъектов Российской Федерации или муниципальных И образований.

Ключевые слова: сопиальная инфраструктура; институт регионального развития; государственно-частное партнерство

Introduction

Currently, regional development institutions (RDIs) are an integral part of significant changes in the institutional structure of the national and regional level of management, as well as the development of civil society institutions. At the same time, the institutional factors of economic development of the constituent entities of the Russian Federation to date have not been among the most actively researched prerequisites for sustainable social and economic growth and modernization of the regional economy. Nominally, the regional development institutions are designed to ensure the diversification of the economy of the constituent entities of the Russian Federation, are designed to increase the investment attractiveness of the regions, provide open access to necessary resources, and promote the development of public-private partnerships (PPPs), including in small and medium-sized businesses.

In the various constituent entities of the Russian Federation, to date, more than 200 organizations have been established, which, based on their functions, can be attributed to regional development institutions. A statistical sample of 40 constituent entities of the Russian Federation confirms some politicization of the process and the Pareto law: 20% of institutions were created in 80% of the time, and 80% of institutions, respectively, in 20% of the time. The number of specialized organizations being created was not affected either by Russia's economic growth at the beginning of zero, nor by the global crisis of 2008-2009, while the 2011-2012 election campaign, proved to be a much more effective stimulant for regional authorities.

Modern ideas on the functioning of regional development institutes pose the utmost urgency on the need for effective functioning of regional development institutions in the context of increasing transaction costs of spatial development due to the acceleration of technological evolution, a shorter cycle of technological change, an increasing role in the economy of innovative industries, with "hard" placement factors (such as natural resources).

In connection with these postulates, it is interesting to trace the stages of development of regional development institutions and to identify those changes at the meso-level that are likely in the post-industrial development of the economy of the constituent entities of the Russian Federation, with particular importance for carrying out research assessments of the leadership of regional development institutions with how the business community evaluates the results their work.

Theoretical framework

In the world economic literature, the theoretical framework for analyzing the problems of regulating development institutions is very wide, because they represent a set of norms and rules governing social relations in a particular sphere of the economy. This is due to the fact that the problems of regulation are captured by the theory of industrial organization, the public sector economy, the theory of economic regulation and a number of other theories and disciplines. According to the definition of W. Hamilton, who first used the term "institutionalism", "the institution is" a verbal symbol for better identification of a group of social customs ... The world of customs and habits to which we adapt our lives is a tangle and indissoluble fabric of institutions. " The spread of institutionalism was associated primarily with the evolution of economic theory in the United States, where he took the leading position in the 1920s, the most prominent representatives of this scientific school were T. Veblen, J. Commons, W. Mitchell (1991). In T. Veblen's understanding (1919), institutions are, on the one hand, "a habitual way of thinking guided by which people live," on the other, special ways of society's existence that arise in the process of selection and adaptation, which form a special system of social relations".

D. North, representative of the modern school of institutionalism, emphasizes the ability of institutions to create "the basic structures by which people throughout history have achieved order and thus reduced their degree of uncertainty." (1997) Representatives of the Austrian school P. Bettke, C. Coin and P. Lison (2015) refer the development institutions to exogenous institutions introduced from within. The work of Russian economists Osipov M.A.

(2013), Kalyuzhnova N.Ya. (2011), Kotlyarova S.N., Tatarkin A.I. (2013), Kastieva D.V., Fedorova L.P. (2015), Podstrigich A.V. (2012), (2013), Shedko Yu.N. (2013) and others is devoted to theoretical analysis of the problems of regulating the activity of development institutions and related issues.

Obviously, the regional development institutions are not homogeneous in nature and are of a multi-level nature. In order to disclose their content, it is necessary to identify their role in the overall system of state management of the region's economy.

In the conditions of the market, the economic functions of the state are primarily of an indirect nature and boil down to the following principal areas:

- 1) ensuring macroeconomic stability and economic growth;
- production of public services, due to the need for intervention in economic processes in crisis situations Boettke, P.J., Coyne Ch.J., Leeson P.T. (2008).

The bodies of state power act as subjects of management and must ensure the necessary administrative influence on economic processes. In order for their activities to be effective and ensure the achievement of the necessary results, their internal structure must also be improved, and their own potential must be adapted to new tasks Hsu, M.-S. (2013).

Based on the analysis of the "strategic" backlash, that is, the gap between the desired actual level of the well-being of the population, it is necessary to develop the actions of public authorities that orient the economy towards an innovative type of development in accordance established priorities Albert. Schweinberger (2003). And also the formation of the capacity of public authorities and organizations of the public sector of the economy, ensuring the necessary scale of activities, as well as the conformity of the produced public services to the needs of the population and the established quality standards.

Considering the above, regional development institutions should be understood as a multi-level system of rules and norms, fixed in the form of normative acts or activities of formal organizations, which determines the interaction of economic entities (population, public authorities, investors) in the processes:



- 1) improving the capacity of the regional government to ensure the production of public services of the required volume and quality and to regulate economic processes in the region Buchwald, E.M. (2013);
- 2) the activities of public authorities and subordinate organizations of the state sector of the economy on favorable conditions and incentives for business to create new and modernize existing production facilities, introduce innovative technologies, increase the average wage of workers, etc.) Buchwald, E.M. (2014).

Thus, the regional development institutions cover the management subsystem and part (in part of the functions of creating a system of incentives for businesses to enhance investment activity) of the state management system of the region's economy.

Methodology

Consider the functions of the regional development institution in terms of improving the capacity of the public sector of the economy in order to increase the volume and quality of public services to the public Alferova, T.V. (2012). Currently, the production of public services to the public is carried out within the public sector of the economy, which includes state-owned enterprises and budgetary institutions of the relevant sectoral orientation

created for these purposes Matushkina, N. (2016). Within the limits of separate branches of the state sector of the economy, the volumes and quality of the production of public services that are currently in existence are provided Valentey, S.D., Lykova, L.N., Bakhtizin, A.R., Kolchugina, A.V. (2014). To adjust them to increase, it is necessary to build the capacity of the corresponding enterprises and state institutions, that is, the level of technology, technology, human resources used, etc.

Thus, here the role of the regional development institution, in fact, boils down to a rethinking of approaches to the management of state property, while a number of important principles must be observed:

- 1. Expanding the practice of outsourcing and public-private partnership in the production of public services Hsiao Cheng, Shen Yan (2003).
- 2. Providing a "portfolio" approach to making decisions on the distribution of assets of the public sector of the economy (budget investments) Alba, S. (2016).

Taking into account the above-mentioned peculiarities and economic content of the activity we are considering, in Fig. 1. the structure of functions necessary and sufficient to achieve the goal of the activities of regional development institutions is presented.

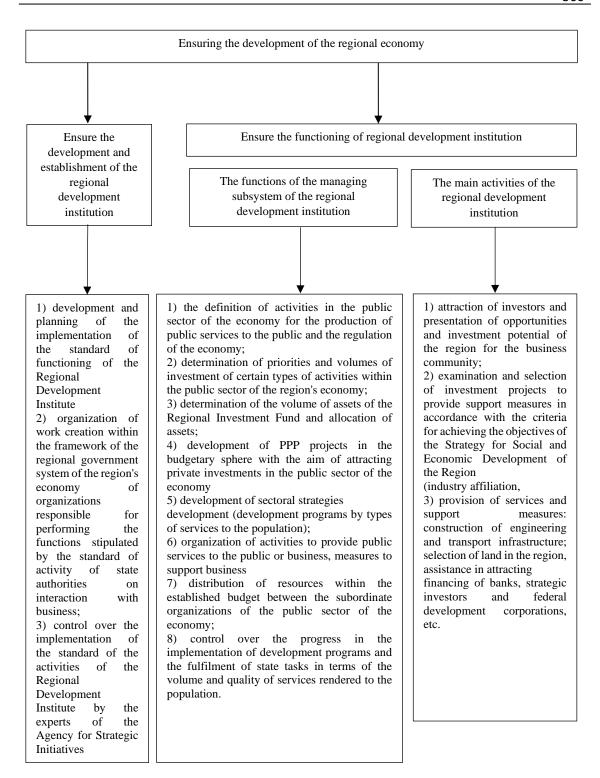


Figure 1. Structure of functions of the regional development institute (compiled by the authors)

Results and discussion

More than 48 percent of the total amount of funds available to the regional development institutions was in the five leading regions: the Republic of Tatarstan, Moscow and the Moscow Region, Lipetsk, Kaluga Regions and St. Petersburg. By

the share of the gross regional product (GRP) for 2016 and the average per capita indicator (the amount of funds of the development institutes involved in the region to the population of the region) was headed by the Kaluga and Lipetsk regions, which is explained by the large amount of investments attracted through the RDIs of



relatively small sizes of their economies and population.

Studies of regional development institutions conducted by «G1 Consulting bureau» with the support of the National Association of Investment and Development Agencies (NAIDA) and the Agency for Strategic Initiatives for Promotion of New Projects (ASI) have given a more descriptive description of the work of regional corporations and agencies in the field of investment. At the same time, in view of the "youth" of the RDIs, the respondents' assessments with a high degree of probability were based on their ideal expectations. By 2016, practical experience has been accumulated, which makes it possible to take an objective look at many issues and see how approaches change in retrospect. Perhaps the most significant changes over the past three years have affected the perception by the regions of the need to formalize the RDIs status. In 2013, 40 percent of those surveyed believed that there was enough informal status of the development institution or that the status was a derivative of the effectiveness of the activity, a kind of "credibility mandate" from the investor. Another 42 percent claimed that they would be sufficient to approve regulations within the framework of the powers of the region. About the need to consolidate RDIs at the federal level, only 10 percent of respondents said. In 2016, the views of the respondents radically changed, and already 53 percent of respondents considered it necessary to consolidate the RDIs status in federal legislation. For fixing the status at the regional level, 30 percent voted.

Therefore, today we can state that the euphoria of the first years from the expected effectiveness of "business approaches" was replaced by the awareness of the need to formalize the powers in the legislation. Despite the creation of regional development institutions for investor relations, regions face difficulties related to

1) Granting in special order land plots for the creation of industrial parks. When creating state industrial parks, the regions face two problems: first, it is necessary to provide a site for building the infrastructure of the industrial park of a specialized organization, and at the second stage have the opportunity to alienate the plots to residents. Without bidding it is possible to do this only on a lease basis in the manner prescribed by subparagraph 3 of paragraph 2 of Article 39.6 of the Land Code of the

Russian Federation on the basis of an order of the highest official of the RF subject of the Federation for the implementation of large-scale investment projects. However, for this it is necessary to have a corresponding law in the region and subject to the compliance of the project for the establishment of a industrial park with the criteria established in the law. Obviously, the subsequent provision of land plots to future residents of the industrial park is possible only through the assignment of lease rights Andrey, Plakhin., Ekaterina, Ogorodnikova. (2018).

- 2) Maintenance of administrative procedures in the "one-stop" mode Argüelles, M., Benavides, C., & Fernández, I. (2014). Most of the administrative procedures in the field of urban development are related to the level of federal or municipal authorities, the timing of their implementation are regulated by law. RDIs do not have any legal grounds to participate in them. One-window mode works well in cities of federal significance, where regional powers in the sphere of attracting investments are harmoniously supplemented by the powers in the sphere of urban development.
- Taxation in the implementation of infrastructure projects. Development corporations or management companies of industrial parks, implementing state projects for the creation of industrial infrastructure, are forced to bear the burden of paying land tax and property tax of organizations. As a consequence - permanent losses at the stage of creation and operation of an industrial park and "eating out" of the authorized capital. Under these conditions, many management companies of industrial parks do not transfer land from the category of agricultural land to the lands of settlements or industry until the last moment (this allows for a time to reduce the taxable base for land tax). For the budget, the effect of this state of affairs is not understandable, since the authorities, allocating financing for the establishment of a industrial park from one "pocket", seize a significant part of these funds in another "pocket" in the form of taxes Markelova, A.S. (2012).

Meanwhile, institutions and authorities that build and operate other objects of the public infrastructure are simply exempt from these taxes. The solution of the above problems is seen in the proper regulation of RDIs activities in federal legislation.

Conclusions

The solution of the task of improving the spatial organization of Russia dictates the need to move to a more flexible system of planning and management and calls for the creation of new management schemes and mechanisms aimed at developing the regional economic system.

The main principles for the creation of such new schemes and management mechanisms should be:

1. Creation οf organizational an formation of mechanism for the the management structures for coordination of socio-economic development (for example, project administrations) in the territory of several constituent entities of the Russian Federation or several municipal entities within one subject of the Federation. Such structures should become a spatial form of application of the project approach in the management of social and economic development: they should be created for specific (mainly economic, economic) tasks and have a built-in transformation mechanism depending on the current economic situation or the stage of achieving the goal. However, it is important to clearly define and limit their powers and terms of operation by solving design tasks - temporary project structures should be created for specific current tasks, without legislative consolidation in administrativeterritorial division. Thus, administrative-territorial division will not be associated with economic zoning. At the same time, the possibility of changing the boundaries of such spatial formation as the economic situation is transformed is certainly implied, and mutual overlap of their boundaries is also permissible. In this case, the territory of the same subject of the Russian Federation may be included in different design structures.

When forming interregional organizational structures, it is advisable to take into account the experience of the formation of Euroregions (in terms of size and scale of the economy often comparable to the macro-regions of Russia), as well as a historical example - the Tennessee River Valley Administration created for a number of anti-crisis measures during the Great Depression in the United States. A possible form of implementation of such governance mechanisms in Russia could also be the territories of advanced development, special economic zones.

Formation of intermunicipal management structures (such as intermunicipal associations of economic development) is of paramount importance for urban agglomerations, usually covering the territories of several municipalities and requiring coordination in the development of transport, medicine, education and other areas of the social sphere, waste disposal and processing processes and other

- Development of financial mechanisms for ensuring the activities of these interregional and intermunicipal administrations (hereinafter - project administrations). To date, the development, for example, of intermunicipal economic cooperation is hampered, to a large extent, by the lack of legal mechanisms for financing intermunicipal projects from the budgets of several municipalities.
- 3. The possibility of forming project administrations both on the initiative "from above" and on the initiative "from below".
- 4. Improving the mechanisms for interaction between state and municipal authorities, NGOs and other civil society institutions and business structures operating in the territory of several constituent entities of the Russian Federation and / or municipalities.

In general, it is necessary to ensure coordination of the activities of administrative structures operating in the sphere of state and municipal power, business and civil society, at once on all spatial levels: on the one hand, to improve the coordination of existing structures, on the other, to create a mechanism for the formation of new ones, designed to ensure adequate management and the coordination of socio-economic



development at the currently missing spatial levels (primarily the coordination of economic development in the interregional and intermunicipal level).

Thus, it is necessary to create a normative and organizational basis for ensuring flexible interaction between the various structures of different substructures of the country's institutional territorial structure - the areas of responsibility of state and regional authorities, the zones of activity of commercial firms, nonprofit organizations and other civil society institutions. This will require a radical complication of the entire territorial institutional structure of the country, however, such a transition has matured and will be an adequate response to the challenges of accelerating socioeconomic development. Flexible coordination of various substructures of the country's institutional territorial structure will become a spatial form of the implementation of the Social Treaty as an effective interaction of the state, business community and civil society.

Bibliographic references

Alba, S. (2016). A Comparative Analysis of Approaches to the Concepts of Special Economic Zones and Offshore Zones, Finances, 3, 119-

Albert, G. Schweinberger (2003). Special economic zones and quotas on on-line goods: a policy proposal, Oxford Economic Papers, vol. 55, 4, 696-715.

Alferova, T.V. (2012). The concept of "institute" in the context of managing sustainable economic development, Journal of Russian Entrepreneurship, 10, 30-33.

Andrey, Plakhin., Ekaterina, Ogorodnikova. (2018) Industrial parks as an effective instrument investment policy. regional International Conference on Economics and Management, Education, Humanities and Social Sciences (EMEHSS 2018). Atlantis Press.

Argüelles, M., Benavides, C., & Fernández, I. (2014). A new approach to the identification of regional clusters: hierarchical clustering on principal components, Applied Economics, vol. 46 (21), 2511-2519.

Boettke, P.J., Coyne Ch.J., Leeson P.T. (2008). Institutional stickiness and the new development economics, American Journal of Economics and Sociology, vol. 67, 2, 331-358.

Buchwald, E.M. (2013). Development of planning and program-targeted strategic management at the regional level (chapter in the monograph), Economic and legal institutions for regulating regional development of the Russian

Federation (pp. 187-210). Moscow: Institute of Legislation and Comparative Jurisprudence under the Government of the Russian Federation. Buchwald, E.M. (2014). Institutes development and new priorities of regional policy in Russia Theory and practice of social development (pp. 108-114). Ed. House "HORS". Hsiao Cheng, Shen Yan (2003). Foreign Direct Investment and Economic Growth - the Importance of Institutions and Urbanization, Economic Development and Cultural Chang, vol. 51, 883-896.

Hsu, M.-S., Lai, Y.-L., & Lin, F.-J. (2013) Effects of Industry Clusters on Company Competitiveness: Special Economic Zones in Taiwan, Review of Pacific Basin Financial Markets and Policies, vol. 16 (3), 1350017. https://doi.org/10.1142/S0219091513500173

Khastieva, D.V., Fedorova, L.P. (2015). The Role of Development Institutions in Regional Governance in Conditions of Institutional Transformations, Modern Problems of Science and Education, 2-2.; URL: https://scienceeducation.ru/en/article/view?id=22765

Markelova, A.S. (2012). Innovative development of Russia and development institutions as its tool, Proceedings of the Institute of Control Systems of SSEU, 1-2 (4-5), 138-141.

Matushkina, Experience N. (2016).implementing the mechanisms of territorial development in the regions of Russia, Regional Economy, 12, 4-17.

North, Douglas. (1997). Institutions, institutional changes and the functioning of the economy, Electronic publication: Center for Humanitarian Technologies. URL:

http://gtmarket.ru/laboratory/basis/6310

Osipov, M.A. (2013). State and effectiveness of the Institute for Small Business Development in Russia, Fundamental Research, 10 (Part 13), 2916-2920.

Osipov, M.A., Kalyuzhnova N.Ya. (2011). Evaluation of the influence of regional development institutions, Bulletin of the Irkutsk State Technical University, 4, 145-153.

Pinkovetskaia, I., Arbeláez Campillo, D., Rojas Bahamón, M., Gromova, T., & Nikitina, I. (2019). Female entrepreneurship development in the Russian Federation. Amazonia Investiga, 8(18), 111-118. Retrieved from

Podstrigich, A.V. (2012). Institutional aspects of the modernization of the regional link of the Russian economy, Economic theory: Analysis, Practice, 5, 68-77.

A.V. (2013). Podstrigich, Institutes development in the system of regional strategic planning, Bulletin of the Institute of Economics of the Russian Academy of Sciences, 3, 88-96.

Shedko, Yu.N. (2013). Institutional-synergetic approach to the sustainability of the development of the region [Electronic resource] / Yu.N. Shedko // XXI Kondratiev readings "World economy of the near future: where to wait for an innovative breakthrough?", Abstracts of the participants of the Readings. Moscow: International Fund of ND Kondratieff. 428-431.

Access mode: http://www.ikf2010.ru/members/login.php
Tatarkin, A.I., Kotlyarova, S.N. (2013). Regional Development Institutions as Factors of Economic Growth, *The Economy of the Region*, 3, 9-18.

Valentey, S.D., Lykova, L.N., Bakhtizin, A.R., Kolchugina, A.V. (2014). Typification of subjects of the Russian Federation (chapter in the monograph), *Economic Policy* (pp. 677-709). Volume 2 in the three-volume "Urbi et orbi". Moscow: IE RAS - St. Petersburg "Aletaia". Veblen, T. (1919). The Place of Science in Modem Civilization and Other Essays. N.Y., 239.

Wesley Clair Mitchell (1991). The Backward Art of Spending Money. Taylor & Francis Inc, 500.