Successful Russian experience of attraction of direct investments in special economic zones

Tatyana Aleksandrovna Pechenegina¹, Elvira Rudolfovna Kuznetsova², Elvira Mazitovna Radosteva³

¹FGBOU VPO "The Perm National Research Polytechnical University", Komsomolsky Ave. 29, Perm, 614099, Russia
²Russian Presidential Academy of National Economy and Public Administration, Perm branch, Gagarin Boulevard, 10, Perm, 614056, Russia
³FGBOU VPO Perm State Agricultural Academy named after the academician D.N.Pryanishnikov, Petropavlovskaya Str., 23, Perm, 614000, Russia
E-mail: pechenegina52@yandex.ru

Abstract. In the article the author proves the improvement of the investment attractiveness of the region through the formation of special economic zones and attracting some new investors into the market, through the introduction of IR and GR communications. The necessity of such researches is caused by the requirements of the modern market economy, timely acceptance by the representatives of the federal and regional authority, which are not trivial administrative decisions, but are proved in the conditions of the rigid competition for the attraction of the investments. Orientation in the adoption of the administrative decisions for the satisfaction of any need of a certain territory (region), revision of some principles, a course on wide use of planned and target methods of managing, strengthening attention to implementation of target regional programs defines the relevance of this subject of research. Scientific novelty of the research is justification of a lot of ways of the increase of investment appeal of the territory at simultaneous use of special economic zones, the policy of the formation of clusters, the advances of IR and GR communications.


Keywords: investments, business environment, economic zone, region, cluster, IR and GR communication

Introduction

The integration of the Russian economy in global space demands the use of innovative approaches in the creation of competitive production. The relevance of this problem proceeds from the fact that the modern market economy demands from its representatives of the federal and regional authority not only the trivial administrative decisions, but also the fact that the rigid competition for attraction of investments demands the creation of such conditions at which business will feel itself in comfortable conditions.

In this case thanks to the achievements of the last decades in the theory, methodology and practice of the modern marketing, there was a possibility of the application of such an area of knowledge as marketing of territories in the sphere of the attraction of investments. Through the motivation in creation to business structures, authorities and the general public, it is possible to change the positioning of the territory and as a result to get the improvement of its social and economic state. However, the use of the marketing of the territory wasn't widely spread today among the Russian regions. The weak analysis of the foreign experience in the sphere of the territorial marketing and not adapted projection on the municipalities of the Russian regions of some separate foreign achievements allows to state the value of researches in this field [1].

At the developed understanding of the need of the promotion of the territory thanks to its competitive advantages, and also the improvement of the quality of life of local population, there is completely no integrated approach in realization of marketing of the territory. Separate initiatives without support of the regional authorities don't change the situation as a whole. Therefore, the creation of the conditions for the effective use of an available resource has to become one of the tasks of the regional power [2].

The orientation in the adoption of the administrative decisions for satisfaction of the need of a certain territory (region), revision of some principles, which seemed firm earlier, the course on the wide use of planned and target methods of managing, strengthening the attention to the techniques of drawing up and implementation of target regional programs defines the relevance of the chosen subject of this research [3].

Technique

The creation of the methodological bases for the attraction of direct foreign investments, and also for stimulation of an intra regional business
environment requires definition of the priority directions for improvement of investment climate of the region. In this case, one of effective instruments of the attraction of investments is the creation of a special economic zone. It should be noted that the assignment of the territory for a certain type of production, that is the introduction of the territorial specialization results in concentration of the production forces, that in turn increases the production efficiency. "The cost of the concentrated in mass scale and used in common grows means of production applied not in the proportion to their sizes and their useful effect. Means of production used in common transfer a smaller share of the cost per piece part because all that cost which they give, is distributed at the same time on the big mass of products, part because in comparison with the means of production used separately, they enter the process of production though absolutely bigger, but in relation to the sphere of their action, by rather smaller cost" [4]. It is possible that Karl Marx predicted the cluster approach in the his main scientific work, but at the same time, it is possible to consider the other way of concentration of productions which will be the alternative in forming the specialization of the territory. The approach of the creation of a zone of agro-industrial growth as the backbone factor of the increase of investment appeal will be considered further in this work.

The main part

When forming the regional investment policy and the development of the program of marketing of the territory it is necessary to have a reasonable position in a choice of priorities of the development of some certain areas and the edges as a whole. In this case the creation of a competitive business environment will allow to integrate the production potential of the regional producers into global economy. In the Report about the world investments of the United Nations of 2012 the tendency of the countries to liberalization and encouragement of the foreign investments in various branches is revealed, but thus there is a process of introduction of restrictive investment measures and administrative procedures - increase of an investment protektsionalism. Therefore, it is necessary to improve the investment appeal of the region thanks to the creation of more favorable conditions for localization of the investment projects. [5]

In this case, one of the most perspective directions of the Russian economy for attraction of investments are special economic zones. [6] Thus it is necessary to consider that today there is no scientific justification of an assessment of efficiency of attraction of investments into OEZ. As notes, the Doctor of Economics, the leading world expert in the field of attraction of direct investments Paul Fischer "The majority of researches don't apply for system character and don't set as the purpose development of methodological bases of the special Russian concept of attraction of direct foreign investments on a long-term basis. Theoretical insufficiency of the fragmentary analysis, certainly, limits opportunities to arm economic policy with the effective program of activation of direct foreign investments" [7].

Localization of the large investment project leads to such situations, when near the "anchor" investor there is a galaxy of small productions taking some part of the functions of outsourcing or a number of the companies which are adjacent or supplementing this production. In this process there are shown some signs of the cluster approach, but it isn't absolutely right. "Clusters are the groups of the interconnected companies which are concentrated on a geographical sign, specialized suppliers, service providers, firms in related branches, and also the organizations which are connected with their activity (for example, universities, standardization agencies, trade associations) in the certain areas competing, but thus conducting collaboration" [8]. From this definition there are taken the main divergences of the described structure and cluster approach:

1. Optional interrelation with the profile organizations - universities, standardization agencies, trade associations;
2. The competition among the enterprises in some cases is completely absent and is replaced with symbiosis between the organizations.

The attraction to the region of the large player in the market of agricultural production will promote the branch growth as a whole, and for this purpose it is necessary to create conditions for localization of the productions by increase of investment appeal of the territory. In this case it is interesting to pay attention to the combination of special economic zones and territory marketing as the advance of the territory of having preference in placement of a new production, but thus this fact doesn't guarantee the effective realization of an available resource.[9]

One of the well-known OEZ is OEZ "Alabuga" of the Republic of Tatarstan. During existence of OEZ "Alabuga" it was succeeded to reach impressive results in the development of infrastructure and to attract the first OEZ resident companies, among which such well-known companies of world business as Ford-Sollers, Saint-Gobain, Air Liquide, Rockwool, Sisecam, Hayat Group, etc. At the general federal and regional budgetary expenses on the territory of a special economic zone in a size about 15,5 billion rubles, the
arrived taxes in budgets of various levels from the placed enterprises are made by 3,85 billion rubles. In the initial analysis it is visible the difference which makes us thinking on expediency of creation of the territories with the lowered tax rates. However it is necessary to consider that 33 residents of OEZ created today 1649 workplaces, mastered 32.6 billion rubles of investments and made production on 45.9 billion rubles. In this case we can call the investment as "long money" for the reason that initial investments for the leading infrastructure, a land surveying of the land plots and other preparatory work, start bringing in the income in the regional budget, in the form of tax assignments, only after the certain period, on the average, during five years. This period is caused by building of the production, a personnel set, adjustment of the equipment and an exit to design capacity. The figures given above show that from the moment of OEZ creation in 2005 residents enclosed rather big the volume of investment, and even in case of the expiration in the territory of some special conditions of the lowered tax rates (10 years of the moment of building of the object), the transfer of the enterprises will have some negative character that fixes the company in the region territory.

The questions of the functioning of a special economic zone, the involvement of new investors and the advance of the territory of OEZ, is engaged the separately created, specially for this territory, the JSC OEZ PPT management company Alabuga. In the field of advance of the under control territory it is illegal to call its actions territory marketing, in sound value of this term. However the efforts which they made, could create the strong and attractive image for the territory, as places for production placement. At existing OEZ "Tolyatty" where the majority of the plants on the assembly of cars settles down, heads of JSC OEZ PPT Alabuga managed to involve with Ford-Sollers which in turn, attracted itself a number of the small enterprises from the adjacent areas of the production.

In this case, the creation of the image was carried out thanks to several actions which can be correlated to major factors of marketing of territories and to present in Table 1.

<table>
<thead>
<tr>
<th>Table 1. Factors of marketing of the territory applied in OEZ &quot;Alabuga&quot;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Factors of marketing of the territory</td>
</tr>
<tr>
<td>Comfort of an urban environment</td>
</tr>
<tr>
<td>Availability of the city to inhabitants and guests</td>
</tr>
<tr>
<td>Sign infrastructure projects</td>
</tr>
<tr>
<td>Infrastructure for the target audiences</td>
</tr>
<tr>
<td>Organization of symbolic events</td>
</tr>
<tr>
<td>Sociocultural design</td>
</tr>
<tr>
<td>&quot;Import&quot; business model of branding</td>
</tr>
<tr>
<td>Quality of a municipal government</td>
</tr>
<tr>
<td>State-private partnership and business role</td>
</tr>
</tbody>
</table>

**Conclusion**

In OEZ "Alabuga" there are executed "classical" factors of attraction of investments which are closer to ordinary marketing tools. However, this level of interest of the regional power and management company is much higher than the average Russian level. It is testified by the first place of the Republic of Tatarstan among the best regions for business in Forbes rating. The advantage of this region is reached by the active actions of the President of the republic and the full volume infrastructure financing for large projects of the investors. The Air Liquide company, placed production in OEZ "Alabuga," received free accession, in total the cost of the infrastructure project made 4 million euros. In this case, from the President of the republic an approval of this project and strategic development of the territory of OEZ "Alabuga" was given, which got some additional points to the positive image.

**Deductions**

Thus, an emphasis in advance of OEZ "Alabuga" were made for IR and GR communication. Investor Relations (IR) - is rather a new concept for
the Russian market. IR is meant as long-term strategy which includes the financial, communicative and marketing elements, directed on the effective bilateral communication between the public company and investment community [by 10].

IR activity is a special form of communication in the course of which the following tasks [11] are realized:
- information and analytical service of investors;
- promotional and informational maintenance of investment projects and programs;
- monitoring of mass media and Internet;
- monitoring of legislative and standard and legal base.

The main objective of IR communication is the feedback existence with the target audiences. [12] Investors, which are interested in the information about the functioning of OEZ "Alabuga", receive it in optimum volume for a short time. The speed and full value of the obtaining of this information are capable to influence adoption of the investment decisions. As the information report to potential investors it was built on the adjusted network of communications which includes: preliminary telephone negotiations with the companies; mailing of investment letters; written or oral confirmation of interest/disinterest of the company in implementation of the project, and also the participation of the leadership of the Republic of Tatarstan and JSC OEZ PPT Alabuga in various economic forums, conferences and meetings.

Corresponding Author:
Dr. Pechenegina Tatyana Aleksandrovna
FGBOU VPO "The Perm National Research Polytechnical University"
Komsomolsky Ave. 29, Perm, 614099, Russia
E-mail: pechenegina52@yandex.ru

References