

AMURCON 2020
International Scientific Conference**SELECTIVE REGIONAL POLICY FOR THE DEVELOPMENT OF
GEOSTRATEGIC REGIONS OF RUSSIA**Olga Sidorenko (a)*, Olga Tishutina (b)
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The research is based on the idea that selective regional policy is an independent thread of regional policy of the state. One of the main features of the present stage in implementation of selective regional policy of the Russian Federation is that the objects of its selective impact are the country's geostrategic territories. Different tools of state stimulation of regional development are used in respect to these territories. It is established that the current practice of territorial development management in the Russian Federation is ahead of the development of state regional policy theory itself. Thus, geoselective regional policy, that is a new thread of selective regional policy, has been formed. The example of regions of the Far Eastern Federal District as geostrategic territories shows the mechanism for implementing geoselective regional policy in the Russian Federation. In the framework of implementation of state regional policy in the Russian Federation, geostrategic territories are the objects of selective stimulating influence. Evaluation of the mechanism for implementation of state regional policy for the development of Far East regions as geostrategic areas of the Russian Federation showed that FEFD uses a wide range of methods and tools to stimulate regional development such as state program, creation of special legal regimes in the form of PSEDA and the Free port of Vladivostok, state funding of social infrastructure, tax incentives. This confirms the conclusion that geoselective policy, a new model of selective regional policy, is being implemented in modern Russia.

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1. Introduction

One of the most difficult tasks of the state regional policy of Russia in modern conditions is to ensure a balanced socio-economic development of the regions and reduce the level of inter-regional differentiation.

The choice of objects, tools and methods of implementing the state regional policy of the Russian Federation is the subject to discuss for many scientists and politicians. At the present stage, the works of many scientists (Armstrong & Taylor, 1993; Kuznetsov & Kuznetsova, 2015; Leonov, 2020; Minakir & Prokapalo, 2018) etc. are devoted to the formation of new mechanisms in the implementation of regional economic policy.

This research is aimed to define the implementation features of the modern regional policy of the Russian Federation. This research is based on the scientific idea that selective regional policy is an independent thread of state regional policy (Sidorenko & Tishutina, 2019). The choice of objects of selective region-al policy depends on the goals of regional economic policy of the state. These potential goals form two models of regional policy and, depending on the targets, might selectively impact on either problem regions ("Equality" model), or on more developed regions called "growth poles" ("Efficiency" model).

2. Problem Statement

One of the main features of the present stage in implementation of selective regional policy of the Russian Federation is that the objects of its selective impact are the country's geostrategic territories. Different tools of state stimulation of regional development are used in respect to these territories. This is represented in the Spatial Development Strategy of the Russian Federation until 2025. The geostrategic territory of the Russian Federation is "a territory within the borders of one or more constituent territories of the Russian Federation that is essential for ensuring sustainable socio-economic development, territorial integrity and security of the Russian Federation, characterized by specific living conditions and economic activity". The Spatial Development Strategy of the Russian Federation identifies two types of geostrategic territories: priority and border territories (Table 01).

Table 1. Geostrategic territories of the Russian Federation

Priority Geostrategic Territories	Border Geostrategic Territories
1. Subjects of the Russian Federation with an exclave position: the Republic of Crimea, the city of Sevastopol, Kaliningrad Oblast	1. The subject of the Russian Federation, bordering the countries belonging to the European Union, is the Leningrad Oblast
2. The subjects of the Russian Federation located in the North Caucasus: the Karachay-Cherkess Republic, the Kabardino-Balkarian Republic, the Republic of Dagestan, the Republic of Ingushetia, the Republic of North Ossetia-Alania, the Chechen Republic, Stavropol Krai.	2. Subjects of the Russian Federation bordering countries belonging to the Eurasian Economic Union: Smolensk Oblast, Astrakhan Oblast, Volgograd Oblast, Kurgan Oblast, Novosibirsk Oblast, Omsk Oblast, Orenburg Oblast, Samara Oblast, Saratov Oblast, Tyumen Oblast, Chelyabinsk Oblast, Altai Krai
3. Subjects of the Russian Federation located in the Far East: the Republic of Buryatia, Republic of Sakha (Yakutia), Zabaikalsky Krai, Kamchatka Krai,	3. Subjects of the Russian Federation bordering other countries: the Altai Republic, the Tuva

Primorsky Krai, Khabarovsk Krai, Amurskaya Oblast, Jewish Autonomous Oblast, Magadan Oblast, Sakhalin Oblast, Chukotka Autonomous Region	Republic, Krasnodar Krai, Belgorod Oblast, Voronezh Oblast, Kursk Oblast, Rostov Oblast
4. Subjects and parts of constituent entities of the Russian Federation included in the Arctic zone of the Russian Federation	4. Subjects of the Russian Federation bordering countries belonging to the Eurasian Economic Union, as well as other countries: Pskov Oblast and Bryansk Oblast

According to Strategy of Spatial Development of the Russian Federation for the period up to 2025

In this regard, the analysis of the features of the selective regional policy for the development of geostrategic regions of Russia is an important research task (Strategy of Spatial Development..., 2020).

3. Research Questions

The current practice of territorial development management in the Russian Federation is ahead of the development of state regional policy theory. Thus, theoretically there are two models of regional policy: "Equality" and "Efficiency". However, since priority and border geostrategic territories are the objects of selective impact, a special model of regional policy is being implemented in the Russian Federation at the present stage. This conclusion allows us to formulate a new thread of selective regional policy - geoselective regional policy. The paper will analyse the methods and tools of the geoselective regional policy of the Russian Federation, including state programs for regional development, state investments in the construction of infrastructure facilities, the creation of priority areas of socio-economic development etc.

4. Purpose of the Study

The purpose of this article is to study the mechanism of implementation of geoselective regional policy in the Russian Federation on the example of the territories of the Far Eastern Federal District (FEFD) and confirm the hypothesis about the formation of a new model of regional policy.

5. Research Methods

Theoretical and methodological basis of this research is a scientific paradigm, namely that the state regional policy includes the implementation of two directions of state influence on the regional development: region-wide and selective. The region-wide influence of the state on its regional development is related to the establishment of the rules and regulations for the distribution of financial resources, as well as to the federal-regional division of property for all regions in the country. The selective influence of the state on its regional development is related to the selective impact on the regional space, based on the public goals and priorities of the state policy, formulated in the Strategy of Spatial Development of the Country. This article considers the objects, tools and methods of implementing the selective policy in the Russian Federation. The research uses the methods of comparative analysis, grouping and statistical analysis.

6. Findings

The uniqueness of the FEFD is related to the fact that all the Far East constituent territories of the Russian Federation are designated as priority geostrategic territories (Table 1). The mechanism of implementation of selective regional policy for the development of FEFD territories is provided by a system of institutions (Table 02).

Table 2. Institutions of the Development of the Far Eastern Federal District

Far Eastern Federal District Development Institute	Organizational-legal form of the institution	Functions of the Far Eastern Federal District Development Institute
Ministry for the Development of the Russian Far East and Arctic	Federal executive authority	Coordination of activity for the implementation of state programs
Far East Development Fund	State financial institution for development	Provision of investment in the creation of new enterprises and infrastructure facilities that have a significant socio-economic effect on the development of the region's economy
Far East Investment and Export Agency	State institution for development	Attraction of residents to the priority social and economic development areas of the Far Eastern Federal District, including export support
Far East Development Corporation	Management company in the form of a joint stock company	Management of priority social and economic development areas in the regions of the Far Eastern Federal District. Development of a special regime for conducting business on the territory of the Free port of Vladivostok
Far East Human Capital Development Agency	Development institution in the form of an autonomous non-profit organization	Full-service support of investment projects in terms of their availability of labor resources on the territory of the Far Eastern Federal District. Provision of information about the labor market

According to Official information portal of the Far East Development Fund (Official Information Portal...), Official Information Portal Agency for the Development of Human Capital in the Far East (Official Information Portal Agency..., n.d.).

The "Socio-economic Development of the Far Eastern Federal District" state program is the basic method of selective regional policy for the development of territories in the Far Eastern Federal District. One of its main objectives is "the development of economic growth centers on the constituent territories of the Russian Federation, members of the Far Eastern Federal District". The centers of economic growth of the Far Eastern Federal District regions are defined in conjunction with investment projects. These projects are the basis for economic growth and national employment. There are 56 centers of economic growth established in the FEFD regions. Diverse tools of state stimulation of regional development are used: state investment in building infrastructure, creation of priority social and economic development areas (PSEDA) and introduction of regime for the Free port of Vladivostok (FPV), etc.

A "Plan for Social Development of Economic Growth Centers in the Far Eastern Federal District for 2018 – 2021" was developed in the framework of the implementation of core measures of the "Socio-

economic Development of the Far Eastern Federal District" state program for the development of FEFD economic growth centers. This plan includes 442 events for the development of industrial and social infrastructure [19] with the overall funding of 94253,259 million rubles (Table 03).

Table 3. Dynamics of the federal budget funds for the development of economic growth centers for the regions of the Far Eastern Federal District for 2018-2021, thousand rubles

Indicators	Total	2018	2019	2020	2021
Republic of Buryatia	6000635,7	-	3021984,5	1616277,5	1362373,7
Republic of Sakha (Yakutia)	6768918,1	874300	942247,8	2320252,6	2632117,7
Zabaikalsky Krai	9425954,8	-	3399874,5	3058180,3	2967900
Kamchatka Krai	4698400	537000	1660000	2501400	-
Primorsky Krai	12912758	1613408	6528180	4771170	-
Khabarovsk Krai	8844250	2629670	2784850	3429730	-
Amurskaya Oblast	6085330	1501460	2354690	2229180	-
Magadan Oblast	1447868	244570	530353,8	427194,8	245750
Sakhalin Oblast	36065110	15492910	15700000	4872200	-
Jewish Autonomous Oblast	1441283,5	464360	390803,9	204864,7	381254,9
Chukotka Autonomous Region	562750	417730	72510	72510	-
Total	94253258,7	23775408	37385494,5	25502959,9	7589396,3

According to RF Government Decree of 30.07.2019 № 1681 «On the distribution of other inter-budget transfers provided in 2018 - 2021 from the federal budget to the regional budgets for the implementation of measures of social development for economic growth centers of the Far Eastern Federal District» (RF Government Decree..., 2020).

Implementing a selective approach in regional policy, the Federal center commits significant financial resources to the geostrategic territories of the Far Eastern Federal District. The largest amount of funds from the Federal budget for the development of economic growth centers was allocated to the constituent territories of the Far Eastern Federal District in 2019. The share of regions receiving funds is shown in Figure 1.

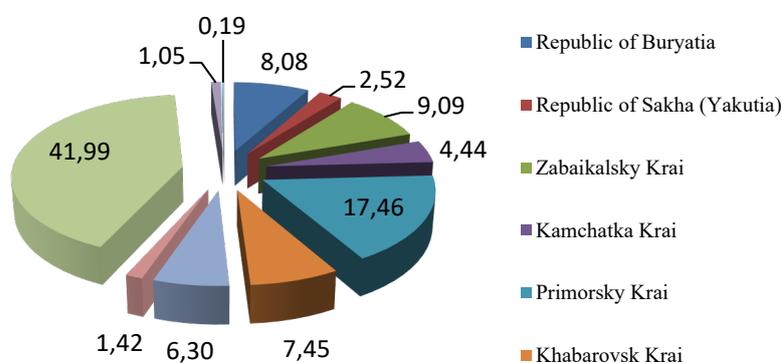


Figure 1. Distribution of federal budget funds for the development of economic growth centers for the regions of the Far Eastern Federal District for 2019, %

In 2019 the largest share of Federal budget funds was allocated between Sakhalin Oblast (41.99% of total funds), Primorsky Krai (17.46%), Zabaykalsky Krai (9.09%), the Republic of Buryatia (8.08%), Khabarovsk Krai (7.45%) and Amur Oblast (6.3%). In 2018, the Republic of Buryatia and Zabaykalsky Krai did not receive any funds from the Federal budget, since these constituent territories were included in the Far Eastern Federal District only in 2019.

In addition to the allocation of the Federal budget funds for the development of economic growth centers, a part of the financial resources for the construction and modernization of social infrastructure is received by the constituent territories of the Far Eastern Federal District from the Far Eastern sections of state programs. Thus, "Far Eastern Sections" are included in 29 state programs.

Since 2015, in order to stimulate investment activities in economic growth centers of the Far Eastern Federal District, priority social and economic development areas (PSEDA) have been created. 22 PSEDAs are functioning on the FEFD territory. Moreover, the Free port of Vladivostok regime has been created (Table 04).

Table 4. Location of PSEDAs in the economic growth centers of the FEFD territory

The FEFD Territory	The economic growth centers	Priority Social and Economic Development Areas (PSEDA)
Republic of Sakha (Yakutia)	Yakutsk metropolitan area;	"Yakutia"
	Southern Industrial Complex	"South Yakutia"
Kamchatka Krai	Avachinsky (Petropavlovsk-Elizovskaya)	"Kamchatka", regime for the Free port of Vladivostok (FPV)
Sakhalin Oblast	"South"	«Yuzhnaya», «Gornyy vozdukh», regime for the FPV
	«Kurilsky» agglomeration	«Kurily»
	Komsomolsk-on-Amur-Amursk-Solnechny	«Komsomolsk»
Khabarovsk Krai	Verkhnebureinsky Center for Development	
	Khabarovsk agglomeration	«Khabarovsk» regime for the FPV
	Vanino-Soviet-Havan transport and industrial hub	
Primorsky Krai	Vladivostok agglomeration	«Nadezhdinskaya», regime for the FPV
	Ussuriysk agro-industrial center	«Mikhailovsky»
	Southern industrial hub	«Bolshoy kamen»
	Tourist and recreational development center	«Neftekhimicheskiy»
Amurskaya Oblast	Gas Processing Development Center	«Priamurskaya»
	Agro-Industrial Development Center	«Svobodnyy»
		«Belogorsk»

Jewish Autonomous Oblast	Obluchensky municipal district	«Amuro-Khinganskaya»
Chukotka Autonomous Region	Anadyr Development Center, Chaun-Bilibino - non-ferrous metallurgy development center	«Chukotka»
Zabaikalsky Krai	Chita agglomeration, "Nerchinsky" "Krasnokamensky"	«Zabaykalye»
Republic of Buryatia	Southern Development Center	«Krasnokamensk» «Buryatia» «Selenginsk»

Along with direct support for these territories from the Federal budget, regional budget co-financing is used as a tool for state stimulation of regional development of PSEDA on the Far Eastern Federal District. According to Table 05, the volume of Federal budget funds to support PSEDA on the Far Eastern Federal District has a multidirectional dynamics (with an increase by 178.17% in 2018 compared to 2017 and a decrease by 66.6% in 2019 compared to 2018).

Table 5. The Dynamics and structure of sources of formation of financial resources of the PSEDA of the Far Eastern Federal District for 2017-2019.

Resource Source	2017		2018		2019	
	Thousand rubles	%	Thousand rubles	%	Thousand rubles	%
Federal budget	4 700 933,9	4,4	8 375 574,2	7,4	5 578 906,6	1,1
Regional Budgets of the Far Eastern Federal District	3 102 080,0	2,9	3 168 290,0	2,8	2 362 610,0	0,5
Legal entities	98 730 000,0	92,7	101 400 000,0	89,8	476 408 064,2	98,4
Total	106 533 013,9	100,0	112 943 864,2	100,0	484 349 580,8	100,0

According to Annual report on the implementation of the state program and the evaluation of the effectiveness of the state program of the Russian Federation “Socio-economic development of the Far Eastern Federal District for 2019” (Annual report..., 2019).

At the same time, the share of the Federal budget in the total volume of resources for PSEDA on the Far Eastern Federal District decreased to 1.1%. Considering the allocation of funds from the regional budgets of the constituent territories of the Far Eastern Federal District, there is an annual financial support for PSEDA with amount of 2.3 to 3.1 billion rubles. The major volume of resource support for PSEDA on the Far Eastern Federal District is invested by legal entities.

In order to stimulate attraction of investments in the FEFD PSEDA, there are instruments of tax regulation in the framework of geoselective regional policy (Table 06).

Table 6. Evaluation of the effectiveness of tax regulation measures of the FEFD PSEDA’s investors in 2019, thousand rubles

Measures	Measure of application	Financial assessment of the result
Providing residents with tax benefits on income tax	Loss of income of the federal and regional budgets of the Far Eastern Federal District for income tax	2 945 000
Providing residents with tax benefits for the payment of corporate property tax	Lost revenue of the regional budgets of the Far Eastern Federal District on corporate property tax	2 352 000
Providing residents with tax benefits for the payment of land tax	Lost revenue of the budget of the budget system for land tax	16 000
Providing residents with tax benefits on payment of value added tax	Lost revenue of the federal budget for value added tax	1 688 000
Reduced rates of insurance contributions to state extra-budgetary funds in respect of taxpayers-residents	Lost revenue of state extra-budgetary funds	2 044 000
Total		9 045 000

According to Annual report on the implementation of the state program and the evaluation of the effectiveness of the state program of the Russian Federation “Socio-economic development of the Far Eastern Federal District” for 2019.

Table 6 shows that in 2019, FEFD PSEDA’s investors were granted 9 billion rubles tax exemptions. This sum exceeds the amount of funds (8 billion rubles) allocated from the Federal budget and regional budgets of the Far Eastern Federal District in 2019 (Table 05).

7. Conclusion

To summarize that, in the framework of implementation of state regional policy in the Russian Federation, geostrategic territories are the objects of selective stimulating influence. Evaluation of the mechanism for implementation of state regional policy for the development of Far East regions as geostrategic areas of the Russian Federation showed that FEFD uses a wide range of methods and tools to stimulate regional development such as state program, creation of special legal regimes in the form of PSEDA and the Free port of Vladivostok, state funding of social infrastructure, tax incentives. This confirms the conclusion that geoselective policy, a new model of selective regional policy, is being implemented in modern Russia. It represents the selective influence of government bodies by stimulating economic activity and improving the quality of life in the country's geostrategic territories in order to ensure its national security and territorial integrity.

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