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**INTERREGIONAL INVESTMENT COOPERATION AS A FACTOR
OF REGIONAL DEVELOPMENT**

K. K. Pozdnyakov (a)*, G. A. Reshina (b)

*Corresponding author

(a) Financial University under the Government of the Russian Federation, 125993, Leningradsky Prospekt, 49,
Moscow, Russia, kk.pozdnyakov@gmail.com

(b) Baltic International Academy, LV-1019, street Lomonosova, 4, Riga, Latvia, reshinaganna@inbox.lv

Abstract

The article proposes conceptual approaches to the study of the relationship between interregional investment cooperation and economic development of regions in modern conditions. The content of the concept of interregional investment cooperation is considered, its main elements are highlighted. Theoretical concepts of domestic and foreign authors, in a complex and separately considering the geographical and economic factors influencing economic growth and development of regions act as a base of research. The existing concepts of regional development, the theory of new economic geography, spatial economy, interregional cooperation are analyzed. The development of the concept of the relationship between interregional investment cooperation and economic development of regions in modern conditions from the point of view of the considered theories contributes to the understanding of the impact of the involvement of the region's economy in inter-regional investment relationship to the development of regional economy within the space of the macroregion. It is proved that it is possible to reverse the inertia of spatial development by creating new economic mechanisms and tools that activate endogenous factors of regional growth. One such instrument could be interregional investment cooperation, the implementation of which should be coordinated at the level of Federal districts or macro-circles in accordance with their development strategies and programmes. The expansion and deepening of regional cooperation in the investment sphere, its qualitative changes require the coordination of directions, mechanisms and forms of cooperation in the strategic documents of regional development.

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1. Introduction

The problem in general and its link to important scientific and practical tasks. At the current stage of economic development, the Russian regions face serious internal and external threats, which, if the observed dynamics increase, may require qualitative changes in the investment policy of the regions. In March 2014, the geopolitical situation seriously deteriorated - in connection with the events in the Ukraine, the U.S. began to impose sanctions against Russia, Russia's economic cooperation with the West virtually stopped (Medvedev, 2014). During this period, the Russian economy experienced an economic downturn: GDP growth slowed to 0.7% in 2014, before a contraction of 2.8% in 2015 (Western sanctions affected 20-21% of the Russian GDP (Tuzova & Qayum, 2016); there was a massive depreciation of the ruble by more than 50% against the US dollar in 2015 and a significant increase in inflation, especially in relation to food prices; budgetary pressures have increased, with budgets of 10 of the 85 entities of the Russian Federation now dependent on sanctioned companies by more than 20 per cent; in the context of the continuing outflow of capital, the balance of capital and the financial account deteriorated. We have yet to assess all the consequences of Western sanctions and Russia's response to the national economy, however, it is already safe to say that Russia's collision with serious systemic shifts was inevitable, and sanctions have become "additional economic shocks." The mechanism of the economic growth slowdown had been launched two years earlier, at the end of 2012, when the slowdown in labour efficiency growth spread to most sectors of the economy. The sanctions came into force at a time of sharp decline in oil prices, which immediately affected the revenues of the federal budget, and clearly once again demonstrated the exhaustion of the export and raw materials model of the Russian economy. Russia faces the serious challenges of changing the model of economic development, and Western sanctions have become just one of many factors that have forced the government not only to reconsider the anti-crisis measures implemented, but also to adjust the priorities of the economic development.

2. Problem Statement

One of the answers to the key challenges to the economic development of Russia and its regions was the emergence of the Russian Spatial Development Strategy until 2025 as part of the strategic planning documents of the Federal Level (Spatial Development Strategy until 2025, 2019). This document, which can be called a qualitatively new document of regional strategy (Miheeva, 2018), singles out, among the fundamental trends of the country's spatial development, the cluster of economic growth in a limited number of centers, each of which accounts for more than one per cent of the total growth in the gross regional products of the sub-federal units of the Russian Federation. According to the Strategy, the macro-region should become the tool with which it will be possible to harmonize and balance the sectoral and regional approaches to the development of the country as a whole. This spatial model of the economic development will require the deepening and expanding of the inter-regional cooperation, primarily in the investment sphere, through the development of structural and investment policies, which is due to its "target" function to ensure the sustainability of the country's economic growth and economic security (Ivanter, 2017).

The analysis of the recent studies and publications, which examine the aspects of the problem and on which the author based his research; highlighting the parts of the common problem that have not been solved before. The influence of geographical and economic factors on the development of regions has traditionally been in the sphere of special interests of academic economists. Existing theoretical models suggest a significant correlation between the rates of economic growth and the volume of investments in the economy and the "importance of industry specifics in attracting investment to the regions" (Baldwin, 2003). The heterogeneity of the regional structure, which is manifested in the scale and industry structure of the economy of its regions, is largely due to the peculiarities of capital placement in the regions (Akindinova & Yasin, 2015). Since about the year 2000, ten regions of the Russian Federation have formed about half of the total gross-regional product, with about 20% of which, belongs to Moscow. In particular, the regions, which, according to the Ministry of Regional Development in 2018 provided more than half (52.1%) of the the amount of value added to all the subjects of the Russian Federation (Feinberg, 2018), were among the subjects of the Russian Federation with the largest volumes of investments (including Moscow and the Moscow region, the Tyumen region and Yamalo-Nenets and the Khanty-Mansiysk Autonomous District, St. Petersburg, Republic of Tatarstan, Krasnodar and Krasnoyarsk regions). As soon as the financial and economic sanctions came into force, the observed differences have become even more pronounced. It is possible to reverse the inertia of spatial development by creating new economic mechanisms and tools that activate the endogenous growth factors of the regions. One such tool could be the inter-regional cooperation.

3. Research Questions

The task of modernizing the regional economy makes it relevant to identify new sources of its growth, the source of which can be interregional economic cooperation. Strengthening interregional economic ties at the level of one economic growth centre (macroregion, district, etc.) in the conditions of the budget constraints is identified by the researchers as an important factor capable of bringing regional resources together for the socio-economic development of the territories (Laine, 2013). The extent to which the region's economy is involved in inter-regional investment cooperation largely determines its economic growth (Lee, Feiock, & Lee, 2012). The mistake of today's regional policy in the field of interregional cooperation, when each region, having its own resource potential, does not seek to share it with other regions (Final Report Summary..., 2015), is recognized by many researchers (Fromhold-Eisebith, 2007). However, a number of discussion issues remain. In domestic and foreign economic science, the interregional interaction is viewed mainly through the content of relations between the subjects of the federation and the form of implementation of such relations (Burak, Rostanets, Aladin, Topilin, & Androshina, 2017). The impact of investment cooperation of the regions on their development and growth has not yet been sufficiently studied. The potential of economic and investment dynamics in the regions remains understudied. The relationship between inter-regional cooperation in investment and regional development is relevant. The study of theoretical approaches to the relationship between inter-regional investment cooperation and regional development is the basis of modern attempts to understand and address a number of interregional integration problems within the framework macro-regional space, and therefore has a special theoretical and practical value.

4. Purpose of the Study

The formation of the goals of the article (setting the task). The purpose of the article is to develop conceptual approaches to the study of the relationship between inter-regional investment cooperation and the economic development of regions in the current environment.

5. Research Methods

The analysis of the studies on inter-regional economic cooperation has shown that the most common content elements included by the authors in the concept of "interregional investment cooperation" are the following concepts: "certain concerted actions," "action actors," "target of actions," "institutional basis for the actions." The range of these actions is limited by the powers of territorial communities and authorities in the financial and investment sphere. Federal and regional government authorities, inter-regional public organizations and associations, businesses and organizations, households and individual entrepreneurs are singled out as the subjects of interregional cooperation, and their goal is seen as the development of the relationships of these actors in the field of investment cooperation. The role of inter-regional investment cooperation is manifested, firstly, in the opposition to the competition for investment resources in the conditions of budgetary constraints and strengthening of sanctions policy, and secondly, in improving efficiency of the use of regional financial and economic resources (Bakumenko, 2016).

6. Findings

In our opinion, the basic, meaningful concept here is the construction of a macro-region. In contrast to the "passive" interregional policy of the investment cooperation, it is supposed to actively target both state and non-state actors. The crisis of inter-regional cooperation in the context of macro-regional projects is largely due to the fact that the regional and local authorities of the regions participating in the integration processes fall within the responsibility for the specific, previously unknown liabilities and responsibilities to address a wide range of interconnected internal and external issues and tasks. Regional authorities and local authorities have to face challenges that require knowledge of modern interregional relations, regional economy, legal and investment aspects of cooperation. Infrastructural, organizational and information support for regional and local authorities often fails to meet the requirements of cooperation and the magnitude of the challenges they face. Addressing these problems in analysing various aspects of inter-regional investment relations and choosing further ways to develop the territories, which are about to enter the macro-region, involves a systematic approach. Its quintessence is the idea of interregional cooperation as a complex of relationships, which are formed under the influence of exogenous and endogenous factors, and have several characteristics. First of all, they are anarchic (or more precisely, stochastic, spontaneous); secondly, they have an objective-subjective nature that combines the actual reality (the geographical location of the region) with the artificial constructs; thirdly, the possibility of singling out subsystems (e.g. municipal level of inter-regional investment cooperation, regional level, including industry clusters); fourthly, the dynamics of competition and harmonization, stability and sustainability (these qualitative states are to varying degrees

inherent in any integration process). The success of a systematic approach application to the theory and practice of interregional investment relations depends on the search for the determinants and patterns of functioning of their subject, which is understood as the boundary between "we" and "others", overcoming the reflexivity of the subjects of interregional investment cooperation, as well as enclave and conglomerate trends.

7. Conclusion

The conclusions of the study and the prospects for further research in this area. The global economic downturn, the deep economic crisis, and the growing sanctions policy have made it clear that if Russia wants to find more effective solutions to overcome emerging negative geopolitical trends, it needs to activate the stepping up national and regional governments' efforts to revise the implemented regional development policies. The latest trends in spatial development policy, based on macro-regions, are the new opportunities in this regard. The latter have the potential for the economic inter-regional integration, strengthening and reinforcement of which is necessary for the purposes of sustainable economic development. At the same time, the models and methods of exogenous nature that have been used to date are not effective enough, which is manifested in the unevenness of the existing regional structure, its nonuniformity and the inconsistency of the structure and volume of investments with the goals and objectives of the ongoing regional policy of socio-economic development. Inter-regional investment cooperation in the prevailing environment acts as one of the economic instruments that activate endogenous growth factors of the regions, while at the same time determinizing the quality and the dynamics of regional growth in the conditions of spatial regional development policies. By providing economic links between the regions, successful inter-regional investment cooperation reduces disparities in the development of macro-region territories and contributes to the formation of a unified economic development space. Interregional investment cooperation is of the particular importance for the depressed regions due to the dependence of their economies on external investments for the implementation of priority projects and programs of socio-economic development in the conditions budget constraints. It is only possible to reach a "critical" level that ensures the use of the paradigm of "strategic partnership" laid down by existing inter-regional cooperation agreements, if the regional authorities understand its genuine value, along with mutual recognition of the needs and interests. Awareness of the "exhaustion" of the former interregional relations, the shortcomings of the existing political culture and forms of cooperation should lead the regional authorities to the joint search for the answer to the question: what the interregional investment cooperation should be like for economic development purposes and growth.

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