All-in-one approach to the formation of tourism, sports and other clusters in the Russian Federation

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Abstract—This study is devoted to the analysis of economic and legal aspects of clustering in Russia. The model is proposed to assess the floating index of the impact of stress factor on the development of clusters and the need to take it into account during the formation of relevant projects. The development of logistics and infrastructure, sales of finished products, the impact of the shadow sector of the economy, as well as the effectiveness of state support for the cluster participants were accepted as key elements that determined the basis of the recommended integral indicator.

Keywords—agglomeration processes, clustering; competition; country factor assessment; risk analysis; statutory regulation.

I. INTRODUCTION

The cluster approach to economic development is actively used in foreign countries [1]. It is not surprising that Russia followed the same path. For the first time ever the course aimed at creating clusters in the domestic economy paved legal way in 2006 in the Strategy for the development of science and innovation in the Russian Federation for the period up to 2015 [2].

The importance of clustering is reflected in a number of statutory documents where it’s indicated that clustering is – among other things – a tool for solving the problems of import substitution [3] and a condition for increasing the competitiveness of the domestic economy and intensifying the mechanisms of private-public partnership [4].

Despite the fact that the vector of legal regulation aimed at clustering the Russian economy was approved relatively recently, the activities of the state aimed at creating conditions for the functioning of a group of interrelated organizations concentrated on a certain territory have been carried out for a very long time. In other words at the beginning of the 21st century clustering in Russia only received a new impact and became more centralized. But we can talk about the implementation of point cluster policy in our country with accompanying legal regulation since the time of the Russian Empire – just in those days the term "cluster" was not used in official documents.

II. LITERATURE REVIEW

We argue our position on the example of recreation and tourism – a group of resorts "Caucasian mineral waters" (CMS) included today in the North Caucasus tourist cluster [5]. After the peace of Yass in 1781 the territory where the CMS is located today became part of the Russian Empire. CMS was given the nationwide scale by Supreme Order of Emperor Alexander I on April 24 1803 [6]. In the same year the first local government bodies were formed in the Caucasian Waters [7].

An important prerequisite for the formation of CMS as an effective cluster was a foreign trip of the Minister of Agriculture and State Property of the Russian Empire A.S.Ermolov to study the state of balneology in Europe. Based on foreign experience, he wrote that the creation of the hydro facilities, land acquisition for resort development should be primarily the concern of the state and be funded by the Treasury. At the same he allows attracting private entrepreneurs for the construction of accommodation facilities, catering, performance and theatre halls on preferential terms [8]. This concept was the basis for the project of reconstruction of the CMS submitted to the State Council and approved in 1899. Since 1901 the specialization of funds was introduced – all revenues from the sale of mineral water and the operation of balneological facilities were intended for the expansion of resorts. These measures results in a situation when the annual budget of the CMS reached 2.5 million rubles, free capital was formed in the amount of 800 thousand rubles [9]. Thus, the state created conditions for the effective functioning of interrelated organizations in the relevant territory which complemented each other and strengthened the competitive advantages of the CMS as a whole.

Of course, tourism and recreation are not the only sphere where clustering was actually carried out long before the term "cluster" appeared in the domestic legislation. So, the Federal law of April 7, 1999 N 70-FZ "About the status of the Science City of the Russian Federation" became a law. A Science City is a municipal entity with the status of an urban
In practice the functions of MTS were much broader. Collective farm allowing widespread use of machinery [15]. MTS played a significant role in the development of necessary equipment as well as to provide repair facilities. Farms (formed during collectivization) to buy and serve the organization in 1929 of machine-tractor stations (MTS) [14]. Today it is called the Russian Federal nuclear center "All-Russian Research Institute of Experimental Physics" and is one of the largest scientific centers in the world [13].

Also, an example of cluster policy in our country is the creation of restricted administrative and territorial entity (RATE) [11]. Such clusters were formed in the Soviet Union and "closed village" Sarov was one of the first. In 1946 a scientific and technical center for the development of nuclear weapons was established in Sarov by a resolution of the Council of Ministers of the USSR [12]. Today it is called the Russian Federal nuclear center "All-Russian Research Institute of Experimental Physics" and is one of the largest scientific centers in the world [13].

The building up of sports clusters in Russia is associated with the development of physical education and sports in general. Among the largest clusters are often distinguished sports clusters of Sochi, Kazan, Krasnodar and Lipetsk. According to some researchers [18] the main categories of participants in a typical sports cluster can be:

- organizations specializing in core competency such as the provision of sports services, the production of sports goods;
- organizations providing functioning of transport, power, engineering, nature protection, information and telecommunication and other infrastructure;
- organizations providing the relevant services market infrastructure;
- educational institutions from youth sports schools to the institutions of higher sports education including sports reserve centers, Olympic training etc.;
- public associations and sports clubs;
- subjects of infrastructure that provide their support to small and medium-scale business.

Each of the examples of clusters’ approach in various sectors, whether it is physical education and sports, tourism and recreation, science and innovation, defense and security or agriculture, shows that clusters are not new for Russia but they are an effective and time-tested economic model.

Clusters rarely occur artificially. They usually appear and develop naturally as a result of existing preconditions. The role of the authorities in this case is to create conditions for the development of entrepreneurship, improve the investment climate and encourage innovation [19]. And even if the cluster appears on the basis of the greenfield project it often ends with financial losses for investors as officials often find it difficult to assess the situation and effectively apply the available resources. On the other hand, the management of clusters has been under state support lobbying its own interests, regardless of the prospects of the cluster. In addition, the impact on the bureaucracy of "fashion trends" leads to money investment in industries where – due to high competition – it is difficult to become leaders, and the chances of failure are extremely high (for example, biotechnology) [20].

Abroad the popular view is that the state in the process of implementing cluster policy should not determine priority industries, finance projects and select their potential participants, based on its own, as a rule, bureaucratic interests. The task of the state should be to support existing and emerging clusters, and not only advanced and intensively developing [21]. For example, the US Federal authorities use such tools as infrastructure development and support for competitive conditions and activities in the field of science and education in the respective territories, without interfering directly with state policy but having an indirect regulatory impact [22].

Appealing to foreign experience it is time for the Russian Federation to move away from the practice of forming clusters on a purely sectoral principle. For example, in Finland "each cluster potentially includes promising sub-zones or new areas with development potential" [23] that allows clusters to develop additional sub-areas of their activities.
on the territory of one subject of the Russian Federation or in the territories of several subjects of the Russian Federation. In the Federal law N116-FZ dated 22.07.2005 "On special economic zones in the Russian Federation” cluster is defined as a set of special economic zones of one type or several types, which is set by the Government and which is administered by the same management company.

So, now we need to develop a draft law establishing the basis of a single cluster policy aimed primarily at the search and development of clusters with appropriate economic potential, regardless of the sectoral affiliation of the organizations located on its territory. In addition, it is necessary to establish criteria for assessing the readiness of the territory, industries and businesses, as well as state authorities to clustering.

III. MATERIALS AND METHODS

From an economic point of view, it is advisable to introduce a floating index for assessing the impact of the state on the development of clusters in order to determine the potential ability of an individual territory or industry to cluster. We consider the possibility to implement this approach using a preliminary two-level assessment of all factors by the Delphi method. At the first stage experts determine the values of the weight coefficients of all factors, and at the second stage, they conduct a point-rating assessment of each of them. As a result, we obtain the country’s factor influence (CFI) on clustering processes:

\[ CFI = \left( \sum_{i=1}^{4} W_iR_i + (1 - \beta)W_5R_5 \right) \rightarrow 1, \]

at that

\[ 0 \leq \forall R_i \leq 1, \]
\[ \max \sum_{i=1}^{5} W_i = 1, \]
\[ 0 \leq \beta \leq 2; \]

where:

- \( W_i \) is a weight number of the importance of the logistics factor, and \( R_i \) is the score of logistics efficiency;
- \( W_2 \) is a weight number of the importance of the infrastructure factor, and \( R_2 \) is a point assessment of the possible synergetic effect of infrastructure facilities;
- \( W_3 \) is a weight number of the importance of state participation in the work of the cluster, and \( R_3 \) is a point assessment of the effectiveness of financial and non-financial incentives for development formed at the state level;
- \( W_4 \) is a weight number of importance of influence of shadow economy on the processes of clustering and \( R_4 \) is point assessment of the degree of influence of shadow economy on the cluster that describes feedback on the principle "the less the influence of the factor the more exposed points»;
- \( W_5 \) is a weight number of importance of the factor of availability of local market for finished products, \( R_5 \) is a point assessment of the effectiveness of the system of sales of finished products manufactured at the cluster level, and \( \beta \) is the correction factor describing the destructive effects of competition within the cluster project on its individual members.

To explain the coefficient \( \beta \), it should be noted that the specificity of the cluster approach is aimed, among others, the harmonization of the existence of business structures of different types and scales of business. Of course, healthy competition within the cluster will contribute to the selection of the most valuable participants, characterized by a high level of quality of products at minimal cost. However, the factor of internal competition at the cluster level can also have a significant destructive impact, for example, strengthening the competitive positions of large players with the subsequent displacement of small and medium-sized businesses. In this case, the cluster initiative can be considered ineffective (table I). Thus, the problem of finding the critical value of the parameter, when there is a possibility of entropy increasing within the cluster as a system, is denoted.

<table>
<thead>
<tr>
<th>Value of ( \beta )</th>
<th>Risk level of irreversible consequences within the cluster</th>
<th>Interpretation</th>
</tr>
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<tbody>
<tr>
<td>( 0 &lt; \beta &lt; 0,5 )</td>
<td>Minimum</td>
<td>Risks of destructive impact of internal competition are insignificant, the cluster is resistant to the influence of the factor of internal competition.</td>
</tr>
<tr>
<td>( 0,5 &lt; \beta &lt; 0,75 )</td>
<td>Moderate</td>
<td>There is an increasing influence of internal competition, it is necessary to monitor the mechanism of interaction between representatives of SMEs and large business structures.</td>
</tr>
<tr>
<td>( 0,75 &lt; \beta &lt; 1,0 )</td>
<td>Critical</td>
<td>The «impairing» of the cluster by shifting the vector of economic activity towards a limited circle of persons. Objective threat to the established model of market relations.</td>
</tr>
<tr>
<td>( 1,0 &lt; \beta )</td>
<td>Catastrophic</td>
<td>The cluster becomes the sphere of influence of a closed circle of participants. Merge of competitors. Monopolization of the main types of production activities.</td>
</tr>
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The sigmoidal function will best correspond to the process under consideration (Fig.1), describing – in this case - the need for clustering when reaching a certain level of accumulated potential of market participants who want to join forces or have such a need to increase profits. As you know, "sigmoid" is the most suitable function for classification problems – its behavior allows you to find clear boundaries in the prediction.

The accumulation of potential in its case will occur "avalanche" to a certain level where a decision will be made on both the possibility and the need to combine efforts by clustering according to the following scheme (table.2). At the A and B levels, there will be a quantitative and qualitative transformation of the efforts and resources of organizations into additional profits.
levels. making decisions on clustering at both the business and state account the influence of the shadow sector of the economy the possibility of selling finished products taking into mathematical model. It is proved not only the necessity of its historical and legal aspects of clustering in Russia, it was activities according to the following algorithm:

1. The transfer function proposed to describe the CFI

![Fig.1. The transfer function proposed to describe the CFI](image)

### TABLE II. CFI VALUE INTERVALS AND THEIR INTERPRETATION

<table>
<thead>
<tr>
<th>Value CFI</th>
<th>The class of reliability of the cluster model</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;0.5</td>
<td>E</td>
<td>An industry or region is not capable of clustering</td>
</tr>
<tr>
<td>0.5...0.65</td>
<td>D</td>
<td>There is a low potential, there is no sense to &quot;force&quot; clustering</td>
</tr>
<tr>
<td>0.65...0.75</td>
<td>C</td>
<td>There is a positive trend towards the need to integrate the efforts of individual organizations and their groups</td>
</tr>
<tr>
<td>0.75...0.85</td>
<td>B</td>
<td>There is a need for financial and organizational assistance from outside (investors, in extreme cases – government agencies)</td>
</tr>
<tr>
<td>&gt;0.85</td>
<td>A</td>
<td>An internal &quot;crystallization point&quot; and information consulting support (including external support) are needed</td>
</tr>
</tbody>
</table>

### IV. PRACTICAL SIGNIFICANCE

On the basis of a comprehensive analysis of economic, historical and legal aspects of clustering in Russia, it was proposed to determine the value of the country factor on a mathematical model. It is proved not only the necessity of its consideration during the formation of relevant projects but also the methodology of its impact assessment.

The key elements of the integral indicator are the development of logistics and infrastructure, assessment of the possibility of selling finished products taking into account the influence of the shadow sector of the economy and the effectiveness of state support for cluster participants.

The proposed "rating" of territories and industrial areas will significantly minimize the effort and money when making decisions on clustering at both the business and state levels.

### V. RESULTS

To search for new clusters, it's reasonable to create special interdepartmental commissions that carry out activities according to the following algorithm:

- cost-effective organizations are identified on the basis of tax reporting data,
- interrelations between the selected organizations and with other organizations are studied. The interest is, first of all, the presence of counterparty relations between them, and secondly, the factor of territorial proximity. In many cases the location of organizations may not be taken into account because, for example, clusters in the field of information technology, which have recently become widespread, can successfully function even with a significant distance from each other of their economic entities;
- effective clusters are identified – they include groups of organizations (most of which are recognized as cost-effective) operating in one economic sphere or related economic spheres, mainly geographically adjacent and mutually complementary;
- special register of effective clusters is being formed, designed, on the one hand, to streamline the work on the implementation of cluster policy, and on the other one, to become a useful tool in the hands of investors to search for promising investment objects. At this stage a decision is made on possible measures of government support during the consultation with representatives of their member organizations. Alternative measures may include preferential lending programmes or special tax treatment.

Improvement of the concept of "cluster" should be made not so much taking into account the private points of view of scientists-economists, lawyers and sociologists but from the position of exact sciences to consider it as an already established and effectively working system (the use of clustering methods based on the analysis of the density of points).

In other words, the basis for the development of the theory of clusters, statutory regulation in the field under study should be including their mathematically accurate description as an integral system based on the conditions of fulfillment of a set of criteria and compliance with a set of common features.

### VI. CONCLUSION

The results of the study were discussed at the Department of Economics and law of the Russian state University of physical culture, sports, youth and tourism. It is noted that the proposed author's methodology for assessing the effectiveness of cluster projects taking into account the country factor is universal and can be used regardless of the scale and specifics of the activities of the relevant economic agglomerations. The problem of designing sports clusters as an institution for improving economic security in the industry of physical culture and sports is of particular relevance in the light of the studied issues. In this regard, we consider it possible to use the proposed methodology to assess the feasibility of implementing sports cluster projects in Russia.

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