

Functioning of Special Economic Zones in the Digital Economy Era

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ABSTRACT

The article considers the system of functioning of Special Economic Zones, as well as the development of international transport logistics, taking into account the positive and negative experience in Russia.

Prosperity of any country depends on the level of its economic development. In the era of globalization when different states interact closely territory for business is mainly chosen according to existing conditions, such as tax system, customs duties, administrative involvement.

The experience of Russia in creating Special Economic Zones shows that many of them have similar, very complex goals and objectives. The set of preferential terms was developed without an inventory of existing infrastructure conditions, resource base and natural economic and geographical advantages.

Keywords: *Special Economic Zones, transport and logistics clusters, international transport corridors*

1. INTRODUCTION

In developing countries the Special Economic Zones function to solve problems of the national economy at the governmental level, such as improving the trade balance, bringing high-tech technology into production, advanced management technologies deployment, etc.

The concept of special economic zones (SEZs) dates back to the 1950s, when they were referred to as export processing zones and later as free zones. Despite it has many different terms, the principle of SEZs remains almost unchanged. Special economic zone is a geographically defined and limited space that has a number of location specific advantages [1].

The rapid expansion and economic impact of SEZs, especially of export processing zones, have been documented in numerous studies. According to some estimates, there are now about 3 000 zones in 135 countries with more than 68 million jobs accounting for over 500 billion USD of direct trade-related value added within the zone [2].

2. MATERIALS AND METHODS

The issue of SEZs organization in the world economy was highlighted in the researches of leading economists from different countries (including Chinese and Russian economists). It should be noted that, though this problem attracts more attention of scientists, it is still less-researched. The studies were usually based only on SEZs development in Russia or China, but even in this case, the studies can hardly be called systemic to develop specific proposals for use of SEZ instruments in the national economy [2].

The researches on the issue of creation and functioning of SEZs were used as theoretical, methodological and methodical basis of the work. The researches of Lu Nanchuan, An Na, Xu Zoshe, Cai Zhen-shong, Liu Goguang, Peng Nathan, Xu Ping, and studies of other Chinese scientists were of particular interest for the work, as well as works of Russian scientists such as V. A. Uvarov, T. P. Danko, Z. M. Okrug, N. K. Smorodinskaya, G. N. Semenov, L. N. Vasilyev, V. P. Korshunov, V. P. Zhdanov, E. F. Avdokushin, G. Y. Belov, V. O. Andreev and others. A significant number of works is devoted to the strategy of transport and logistics clusters' development, as well as their integration into the structure of transport corridors. Theoretical and practical issues of transport and logistics complex development were highlighted in the works of Russian scientists, such as Adamov N. A., Anikin B. A., Alimusaev G. M., Bryntsev A. N., Vinislav Y. B., Gadzhinski A. M., Garnov A. P., Dybskaya V. V., Kurbatova A. V., Mirotin L. B., Morgunov V. I., Novikov D. ., Protsenko I. O., Prokofevaya, T. A., Semenov N. N., Sergeev V. I., Shumaev V. A., Shcherbakov V. V., Yakutin Y. V. and others.

3. RESULTS

Southern Russia provides the shortest and most economically profitable land, water and air connections between the countries of Europe, the Mediterranean, the Middle East and the regions of Russia, as well as with the States of Transcaucasia, Central Asia, the Persian Gulf. Therefore, the transport complex of the Southern Russia is an important part of the transport system of the Russian Federation [8].

The analysis of transport sector of the economy of the Southern Russia and North Caucasus in 2016-2017 shows that the most difficult problems of its development are [8]:

- significant lag of material and technical base of transport infrastructure from world requirements;
- uneven development of individual sectors and territorial complexes of the macro-regional transport system;
- disproportionate placement of infrastructure facilities in the industry;
- funding levels, inadequate to the needs of modernization and development of the industry;
- deficiencies in the regulatory mechanisms at federal and regional levels due to industry development based on "residual principle".

SEZs usually located at transport hubs or on the most active segments of transport routes, can give impetus to the development of International Transport Corridors (ITC). Initially, they were created as centers to increase the attractiveness, efficiency and, accordingly, the competitiveness of the regions.

The positive impact of the SEZs on the efficiency of the transport route is characterized not only by the additional volume of production [11]. This parameter is influenced even more by the structure of the cargo base supplied by the SEZs. As a rule, the cargo base is represented with finished high technology products with high value added and realizable value. Therefore, the products are transferred by the transport operator to the class of increased tariff without any objection from the cargo owner. The cargo owner chooses a route depending on the amount of received profit. Tariff increase allows transport workers to get additional opportunities to cover their costs. As to the Russian railways " the most important factors determining the level of freight tariffs are the so-called solvency of goods and the transport costs. The relative importance of these factors has changed throughout the history of the railways. When the monopoly of roads was strengthening, the importance of the first factor increased, while growing competition between transport operators made the second factor more important." [8] However, the positive impact of the SEZs on the efficiency of the ITC is not limited to the increased tariff of transported products, as not only the cost parameters are important, but also natural ones, such as volume and weight. Products produced in the SEZs, have a much smaller weight and volume than the raw materials, thus are convenient for the container transportation.

The analysis of Russian experience in creation of SEZs of different types during the period of 2005-2018 allows us to conclude that this process is not unambiguous, incoherent, controversial, and there is a lot of evidence for this. For example, tourist SEZs of the Kaliningrad and the Krasnodar regions were closed due to the lack of residents, not because there were not any, but because the regional authorities and representatives of resident companies had failed to agree on the terms [8].

There were also some difficulties with transport SEZs. Thus, it took several years of difficult negotiations concerning Ulyanovsk airport zone. There are still no residents in the port and logistics zones of Khabarovsk Krai and Murmansk. The first SEZ was at risk of closure, but the decision of Russian government to expand it by including the port of Vanino helped to prevent it. The decision to create a SEZ in Murmansk was initially hasty and

economically poorly justified, since the Baikal–Amur Mainline ending in the SEZ "Sovetskaya Gavan" could not provide the necessary traffic capacity according to the original concept.

To be included in the ITC system, Russian transport operators should intensively improve the technical and technological levels and create appropriate communication system achieve the necessary arrangement of communications along the entire route of goods. Special attention should be paid to the development of multimodal transportation and to the organization of effective interaction of all transport modes.

Multimodality (multimodal transport involving several transport modes on the system of consolidated cargo units) provides an opportunity to organize and use new scientific, technical and technological developments in the field of specialization of transport systems, creation of new integrated transport technologies and warehouse processing of goods, as well as in the optimization of transport costs [12].

Interaction of different transport modes in multimodal (mixed) transportation is a long-standing problem. Specific device features and operational characteristics of each transport mode influence their interaction. Domestic and foreign practice shows that it is almost impossible to organize the transfer of cargo flows from one transport mode to another without vehicles downtime, so that the intermediate storage of cargo becomes essential.

4. DISCUSSION

For example, today the Russian port complexes of Tuapse and Novorossiysk hubs are struggling to cope with the volumes of "reoriented " cargo, as there is not enough warehouse spaces and production capacity to process the annually increasing volumes of goods. At the same time, the location of such large terminals in the mega-cities creates constrained conditions for their further development. It is necessary to search for other ways to solve the problem of Russian cargo exports. The main way of transshipment of goods from one transport mode to another is to use warehouses (warehouse option). However, volumes of export cargo transportation through the ports of Southern Russia is growing faster than the infrastructure develops, including port stations and approaches to them. There is a shortage of warehouse space, so that the transshipment of goods is often carried out without warehousing, using the direct option. It requires an additional fleet of loaded cars at the unloading stations and on the route. The main causes of unbalanced cargo flows and problems in transshipment are the following:

- using port storage areas as consignment warehouses, while such warehouses are overcrowded until better market conditions or ship freight appear;
- using cars as warehouses on wheels;
- insufficient technical possibilities to unload cars in the ports;
- unregulated goods loading.

To improve the interaction of different transport modes in such processes it is essential to create a network of information and logistics centers, designed as automated control centers to prepare and mutually coordinate approach schedules of the interacting of transport modes.

It is not enough to solve only transport problems to fully address problems of creating ITC in the South and North Caucasus. The effective solution will have a positive impact on macroeconomic indicators, which will provide the State and other investors with additional revenues from increasing the volume of international transportation and improving transportation infrastructure in the regions of Southern Russia. This will facilitate interregional and international relations, intensification of cargo flows, as well as promotion of tourism.

5. SUMMARY

In conclusion, it should be noted that a systematic approach to solving transit transport problems will advance the service sector of the macroregion. Roadside hotel and information services, tourism and entertainment infrastructure, health care and law enforcement services, folk and environmental crafts will be more in demand in the transboundary territory of the district. The main problems may include the necessity to improve the service quality and to provide certification of these services according to Russian and international standards. The consistent implementation of these methods will contribute to additional job creation in the sector where representatives of different nationalities of Southern Russia are traditionally successful.

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