

INVESTMENTS IN ECONOMY OF THE REPUBLIC OF TATARSTAN: FROM DEFINITION OF CONCEPTS TO THE ANALYSIS OF A SITUATION

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Abstract: The competitiveness of domestic production can be ensured by the innovative activity of economic entities in the form of development of new goods, technologies, methods and tools of production and management. At the same time, investment is one of the most important conditions for the implementation of innovations. Solving the issue of development of investment activity lies at the root of the quality of institutional entrepreneurship in the formation of the investment climate in the region. The investment climate is the object of close attention of potential investors both in Russia and abroad. The need for actualization of knowledge about the investment sphere in the Republic of Tatarstan (hereinafter - RT) determined the content of the study presented for the study.

Key words: investment, investment activity, investment climate, investment in fixed assets, foreign investment, gross regional product, institutional entrepreneurship.

1 Introduction

In the conditions of the obsolete material and production base of domestic production, the periodically arising state of economic instability, the acute competition from foreign producers of goods and sanctions of foreign countries, investment in the reconstruction, modernization and renewal of fixed assets, development, development and development of new technologies, ensuring food security and independence of the domestic economy, improving the quality of human capital la country. Clarity of the definition of the need for investment requires an understanding of the cause and effect relationships of their organization, and further specifics in the work of institutional entrepreneurs in creating attractive conditions for business and scientific communities to identify points of convergence in the development of innovation and the development of industrial and entrepreneurial structures.

Despite the abundance of studies of the conditions and effectiveness of investment activities carried out in Russia, the tasks of clarifying the conceptual apparatus and updating knowledge about the situation in the designated field are relevant. In this connection, the authors propose and justify the expediency of constructing the work in the following sequence: the disclosure of the conceptual apparatus and the algorithm of investment activity; a quantitative assessment of the effectiveness of investment policy in the country as a whole and the RT in particular; a study of institutions that determine the state of the environment for the implementation of investment activities in Tajikistan.

2 Methodology

The methodological basis of the research presented in the article is presented by scientific achievements and the most famous research programs of Russian authors in the field of investment activity. The scientific propositions, conclusions and recommendations formulated in the present paper are justified by the results of studies obtained on the basis of the economic-statistical, abstract-logical methods and methods of system analysis.

As sources of information for the study, legislative and regulatory acts of federal and local authorities, publications of the State Statistics Committee of the Russian Federation and the State Committee for Statistics on RT, the publications of the Ministry of Economic Development of the Russian Federation (hereinafter RF) and the Ministry of Economy of the RT state and prospects of the investment climate, materials of periodicals.

3 Results and discussion

In Federal Law No. 39-FZ of February 25, 1999 "On investment activity in the Russian Federation carried out in the form of

capital investments", investments are defined as money, securities, other property, including property rights, other rights that have monetary evaluation, invested in the objects of entrepreneurial and (or) other activities in order to obtain profit and (or) achieve a different useful effect. Similarly, B.A. Raizberg believes that investments are "any available means designed to serve future needs, for which they are diverted from current use and are invested in a particular business that benefits" (Raizberg, 2003; Metlenkov, 2018).

In the Oxford Explanatory Dictionary, the concept of "investment" is defined as, on the one hand, "the acquisition of means of production, such as machinery and equipment, for an enterprise in order to produce goods for future consumption; on the other - the acquisition of assets, for example, securities, works of art, deposits in banks or building societies, etc., primarily in order to obtain financial returns in the form of profit or increase in capital" (Business Oxford explanatory dictionary, 1995). The researcher I.A. Zimin views this concept as "... long-term investment of capital in an enterprise" (Zimin, 2000). I.A. The form defines investments as "... investments of capital with the purpose of its subsequent increase" (Blank, 1995; González & Villalobos Antúnez, 2016).

Thus, realizing the process approach to the definition of the concept of "investment", it means the process of investing resources in the reproduction of the assets of the enterprise, industry, region, country.

Is it not clear whether investments are resources that must be appropriately invested or the investment process? Since the resources themselves are a product of management and designate any value possessing useful properties, the resource interpretation of investments seems to be a delusion.

Authors of the textbook S. Fisher, R. Dornbusch and R. Shmalenzi believe that "investments take place if part of the current production is used to increase fixed capital" does not even give a definition of the case (Fisher et al, 2002). Thus, on the one hand, investments, □ these are resources, on the other □ the process of investing, with the third □ certain situations. In this list there is an object and description of the moment when a certain action is performed by individuals or legal entities, therefore, it is advisable to define investments as a flow of values (capital goods) in the direction of reproduction and use of vital goods.

In accordance with Federal Law No. 39-FZ "On investment activity in the Russian Federation, carried out in the form of capital investments," investment activity is the investment of investments and the implementation of practical actions in order to obtain profit and (or) achieve a different useful effect. This is an iterative activity to drive investment in order to ensure the effectiveness of investing resources in the development of capital assets.

The importance of investment growth is determined by the role of the country's leadership in improving investment, customs and tax legislation, the development and implementation of investment growth programs of the regions' investment attractiveness, and the development of mechanisms to increase efficiency from the implementation of investment projects. The state of the investment sphere in the Russian Federation is actively analyzed in the mass media. According to the estimates of Rostat, the total investment in the fixed capital of the country since 2011 increased from 11.04 trillion. rub. to 15.97 trillion. rub. in 2017. The volume of GDP in this case grew from 60.3 trillion rubles, respectively, up to 92.10 trillion. rubles. Growth in investment in fixed assets in 2017 compared with 2016 amounted to 4.4%, GDP - 1.5%. Comparing the dynamics of investments and GDP by sectors of the economy in 2016, we can note a positive trend in the sectors of agriculture and forestry (an increase in the volume of production by 4.8%, investments -

13.3%), mining (an increase in output by 2, 5%, investments - by 14.4%), transport and communications (an increase in production volume by 1.8%, investment - by 1.3%). Multidirectional dynamics is observed in the manufacturing industries (growth in output by 0.1%, reduction in investments by 9.8%), production and distribution of electricity, gas, water

(1.5% growth in production volume, 10% decrease in investments, 9%), construction (reduction in construction volumes by 2.2%, growth in investment by 3.9%), wholesale and retail trade (a 4.6% decrease in production volumes, an increase of 8.2% in investment) (see Fig. 1).

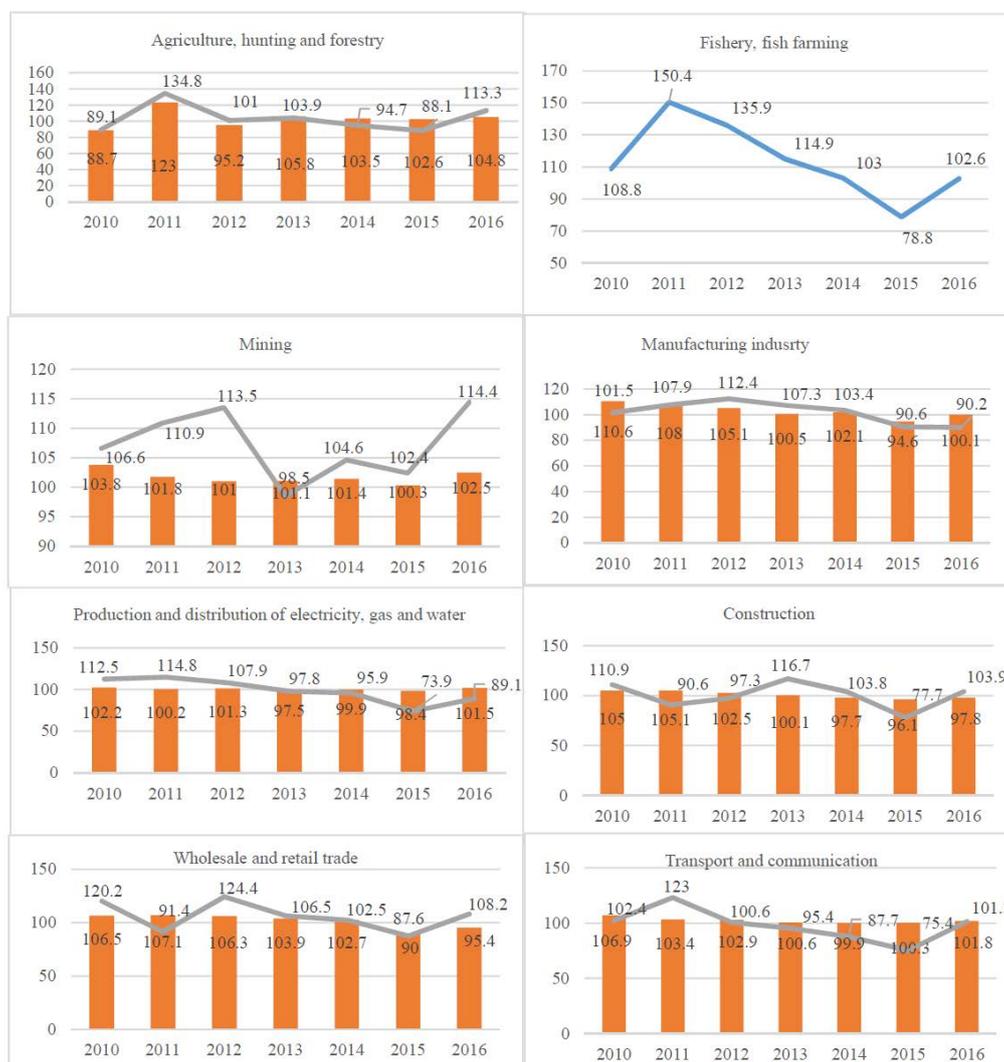


Fig 1. Dynamics of the production index and the index of the physical volume of investments in the context of the branches of the economy for 2010-2016

The researchers are concerned about the sectoral structure of investments, whose direction is directed towards the services sector, while the production sphere is the basis of economic stability and security of the country.

Growth is also observed in terms of foreign direct investment, which amounted to \$ 32539 million in 2016 (in comparison with 2015, the volume grew 4.8 times), in the first half of 2017 - \$ 16.197 million. Despite the positive dynamics of the values of this indicator, they have not yet reached the level of 2013 (before the introduction of external restrictions on trade and investment activities), when their value amounted to 69219 million dollars.

Among other things, it is important to understand that the observed growth in investment in fixed assets is not sufficient for the modernization of the Russian economy. Evidence of this is the value of the indicator of the degree of depreciation of fixed assets, which on average in Russia is more than 48%. This affects the competitiveness of domestic production, the innovative activity of enterprises and, as a result, the quality of

life of Russians. Among the reasons restraining foreign investment in Russia researcher Yu.K. Zaitsev singles out "... the investment climate of the Russian economy, the risks of maintaining low economic growth in the coming years, and uncertainty about future external economic restrictions due to the sanctions confrontation" (Zaitsev, 2015).

So, ensuring the economic stability and security of the Russian economy, as a basic function of the country's government, is due to the state of the investment climate.

The investment climate, defined as a set of factors and conditions of an economic, political and social nature, which determine the propensity of investors to organize a flow of values in the direction of reproduction and use of vital goods, is the result of institutional entrepreneurship (institution-building activities) of the country's leadership (Khaziahmetova & Harisova, 2010).

A large economic dictionary reveals the concept of "condition" as "a circumstance on which something depends" or "data from

which to proceed when solving a problem" (The Big Economic Dictionary, 2007). According to the philosophical definition "the condition is that environment, the environment in which processes or phenomena arise, exist and develop" (Frolov, 1987).

The term "factor" is defined as "one of the main resources ... of the economy; the driving force of economic, production processes, which affects the result of productive, economic activity" (Raizberg et al, 1999). This is the "engine" that capitalizes a particular resource (Salikhov, 2008). The factors and conditions are interrelated. The growth of investment activity in the country is provided by the conditions and factors within and through which investments become effective.

The difficulties faced by the country after the introduction of economic sanctions by foreign countries have determined the vector of efforts towards the development of investment management institutions, corporate-government cooperation, tax and other methods of stimulating investment in the country's economy. As a result, the state program "Economic development and innovative economy" was developed in the Russian Federation, the "National Entrepreneurship Initiative", the "Commissioner for the Protection of Entrepreneurs Rights", the "Open Government" project, the "Agency for Strategic Initiatives" openly, for the development of investment cooperation Russia with China, Austria, Italy, France, Sweden,

Finland, the Intergovernmental Commission for Investment Cooperation, the Russian-Japanese Investment Fund (Freinkman & Yakovlev, 2014).

Within the state program, 11 subprograms have been developed, including "Formation of a favorable investment environment". Total amount of funds for the implementation of the Program from 2013 to 2020. is 885.7 billion rubles, for the implementation of this subprogram - 89.1 billion rubles. The Ministry of Economic Development of the Russian Federation has developed 12 target models for simplifying business procedures and increasing the investment attractiveness of Russian regions.

In addition, the Ministry of Economic Development of the Russian Federation implements financial and institutional support programs for small and medium-sized businesses. As of March 2018, 26 special economic zones are operating in the Russian Federation.

According to the prescription of the Address of the President of the Russian Federation V.V. Putin to the Federal Assembly of the Russian Federation (12.12.2013) the work on formation of the National rating of the investment climate in the subjects of the Russian Federation was started. According to the integral index of the rating, RT retains its leading positions from 2015 to 2017.

Table 1. National rating of the investment climate (Postanovleniya, 1998).

Region	Place in rating 2017	Place in rating 2016
Republic of Tatarstan	1	1
Chuvash Republic	2	2
Moscow	3	10
Tula region	4	4
Kaluga region	5	3
Tyumen region	6	5
Krasnodar region	7	7
Voronezh region	8	23
Moscow region	9	21
Ulyanovsk region	10	11

RT as an active subject of the Federation in the field of development of investment activity began to set clear priorities for it and to register them in the Investment Memorandum of the Republic of Tajikistan. Annually, this document includes about 200 projects implemented with the provision of state support worth more than 1 trillion. rubles.

The assessment of the efficiency of the investment climate development institutions in the Republic of Tatarstan is the location of production facilities in its territory by companies such as Ford-Sollers, Rockwool, Hayat Group, Daimler, 3M, Bosch, Lufthansa, Schneider Electric, Fujitsu, Air Liquide, LOVE, Saint Gobain, etc.

The index of development of the investment activity infrastructure is the functioning of the Alabuga Special Economic Zone in the Republic of Tatarstan; the creation of a special economic zone of the technology-innovative type "Innopolis", the territory of advanced social and economic development in the city of Naberezhnye Chelny; intention to create a special economic zone "Sviyazhsk"; the work of the Technopolis "Khimgrad", five industrial parks, nine technoparks, five investment venture funds, the Social Innovation Center, etc.

The institutional basis for state support of investment activities in the Republic of Tajikistan is the Law of the Republic of Tajikistan of November 25, 1998, No. 1872 "On Investment Activities in the Republic of Tatarstan". Forms of state support for investors in Tajikistan are:

- Microfinance loan;
- Leasing-Grant (subsidizing the costs of payment of the first installment

Under the contract of equipment leasing);

- "50 to 50" (subsidizing part of the costs of business entities associated with the acquisition of equipment);
- Factoring (financing of business from 12% with the service of factoring);
- Compensation of the entrepreneur's expenses for the payment of training;
- Organization of participation of entrepreneurs in exhibitions;
- Preferential rent of office premises (Business incubator);
- Assistance in the certification of export products;
- Marketing research of exporters;
- subsidizing the costs associated with the conversion of vehicles to gas engine fuel;
- Subsidizing the costs associated with plant growing, with the acquisition of seeds;
- Subsidizing costs associated with liming, melioration of soil, with the maintenance of cellular fur-bearing animals, maintenance of pedigree cattle breeding;
- Subsidizing costs to start-up farmers;
- Tax privileges and customs preferences;
- Guarantee of the Guarantee Fund of the Republic of Tatarstan;
- Compensation of a part of the interest rate for the use of bank loans;
- Competition "50 best innovative ideas for the Republic of Tatarstan;
- The program of innovative projects "Idea 1000";
- The grant of the Government of the Republic of Tatarstan "Algarysh";
- Insurance of agricultural activities;

- Support of small and medium-sized enterprises, engaged in the development and implementation of innovative products;
- Subsidizing the costs of entrepreneurs on payment for technological connection to power grid facilities, energy-saving measures, as well as conducting energy surveys, etc.

4 Conclusions

The result of the functioning of these institutes is the 6th place of RT among the constituent entities of the Russian Federation in terms of gross regional product, the 4th place in terms of investment in fixed assets, the 5th place in terms of industrial production and construction, and the 3rd place in terms of the level of agricultural development (pokazateli, 2017). Dynamics of the values of regional development indicators are presented in Table 2.

Table 2. Dynamics of investment performance indicators in the Republic of Tatarstan

Indicator	2015 г.	2016 г.	2017 г.
GRP, bln. rub.	1833,2	1944,1	2115,5
In comparable prices in% to the previous year	100,0	102,5	102,8
Volume of investments in the fixed capital of the Republic of Tatarstan, bln. rub.	617,2	642,5	617,0
In comparable prices in% to the previous year	100,0	100,0	100,0
Labor productivity in the RT, thousand rubles. for one worker	1014,2	1075,9	996,4
In comparable prices in% to the previous year	100,5	102,9	100,0
Depreciation of fixed assets of industrial enterprises of the Republic of Tajikistan,%	50,0	48,0	45,0
Coefficient of renewal of fixed assets,%	12,8	10,1	-

5 Summary

So, the results of theoretical and empirical studies show that the institutional entrepreneurship of the executive authorities of the Republic of Tatarstan and non-profit organizations that support entrepreneurs implementing investments, provides the movement of the regional development vector in an oblique way. However, the cyclic development of the domestic economy, socio-cultural changes that affect the consciousness of modern business executives; the political regulation of international relations in the field of economy, the nature and level of competition, as well as the dynamics of the macroeconomic indicators of the region and the country as a whole determine the need to search for new ways and existing reserves for improving the investment climate in the region as a block of the country's economic development program.

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