Unused Potential of the Far East Border Areas

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Abstract. The priority trend of the modern regional policy is searching for resources and opportunities of the regional self-development. In the border regions, these opportunities are determined by location, which has a huge potential associated with the possibilities of foreign economic cooperation. Despite the Federal authorities active policy to integrate the Far East into the Asia-Pacific region, as well as the expansion of regional autonomy within the framework of the policy of "new regionalism", in most cases, the development of border regions is traditionally considered from geopolitical points of view, and in this regard, economic and social efficiency is secondary. The object of this research is municipalities of the Amur region, which have a boundary with China. The paper assesses the differentiation of the border municipalities' development. It is revealed that the core of foreign economic cooperation is the regional center, which concentrated the existing infrastructure. The hypothesis of this research is that the factors hindering the utilization of the contact areas potential are the insufficient level of infrastructure, non-compliance of border checkpoints with modern requirements, as well as the current boundary regime. The purpose of this research is to identify the perspective direction and a framework of the border areas potential development and using . As part of this research, the authors propose an algorithm for attracting private investors to the border infrastructure development using the public-private partnership.

1. Introduction
One of the important tasks of spatial development is to maximize the potential of individual territories. The development of a number of territories can be greatly facilitated by their border position, which creates the most favorable conditions for foreign economic cooperation. However, it should be noted that the possibilities of cross-border cooperation directly depend on the nature of the relations of adjacent territories, the border regime, the level of socio-economic development of border areas. In addition, it should be separately noted that it is very important for the regional authorities to aware the necessity to allocate border areas in a separate management object, requiring the use of special tools, not only single and determined by the specifics of different sections of the border.

The development of the far Eastern border areas is associated with the prospects of Russia's development in General, determined by the reorientation of foreign economic relations from the West to the East. The efforts to develop the macro-region as a whole are impressive, excluding the border regions belonging to the meso - and micro-level of the border-which include municipal areas and villages, whose borders coincide with the state. Most of these territories are underdeveloped and have no prospects in terms of foreign economic cooperation. Among the factors that determine the possibility of forming contact zones in the border zone, it is necessary to identify closed borders and
unregulated border infrastructure. In addition, the features of economic development and development of the Far East predetermined the economic and social uncompetitiveness of these territories, due to the lack of export-oriented industries in most of them.

Foreign experience shows that the border areas without the support of the center are not able to overcome the crisis of their development, to become a zone of contact, so the regional policy in their respect is aimed at overcoming the negative consequences of the former barrier function of the borders, the relative isolation and the periphery of the border areas [1, 2, 3].

The choice as the object of study of the border municipalities of the Amur region is explained by the fact that the competitive advantages of the region claimed by the authorities associated with the proximity to the Asia and the Pacific countries, in particular to the PRC, are not fully used, but in a number of territories are a factor that strengthens the periphery of the border areas.

The purpose of this work is to identify the factors that hinder the implementation of the potential of the border situation, and to identify possible ways to overcome them for socio-economic development.

2. Border location as a factor of territorial development

The category "border position" was formulated within the framework of economic geography. In foreign studies, the concept of "geographical location", as well as its importance for the development of countries and regions was considered in the writings of geographers and economists. In domestic science the geographical position, including the border is considered in detail by Baranskim N.N., Maergoizom I.M., Saushkinym Yu. G. [4, 5, 6].

With all the variety of components of EPG, in this study we are interested in the "border position", an important characteristic of which is the "neighborhood position".

In modern scientific research, there is no clear answer about the nature of the impact of the border situation on the development of territories. A number of researchers note the favorable impact of "border" on the development of territories, but at the same time pointing to the need for special regional policy [7]. Others note that the border position of the region does not give an unambiguous advantage in its development, on the contrary, in modern conditions it is a certain obstacle [8].

Despite the fact that the opinions of researchers differ on the impact of the border situation on territorial development, they agree that the situation near the state border gives the territories a specific potential of the border position [9].

The issues of studying the potential of the border position do not lose their relevance for a long time, and in the conditions of the far Eastern border, are not only theoretical and methodological interest, but also practical, since it is with the development of the territories of the Far East that Russia's strategic prospects in the XXI century are linked. Therefore, there is a need for further theoretical and methodological understanding of the category of "border position", the assessment of its impact on the development of territories, as well as the analysis of the factors impeding the implementation of the opportunities inherent in it.

3. Determinants preventing formation of contact zones

Currently, almost all border municipalities of the Amur region, except the regional center, have a border zone regime with elements of closure, which determines the consolidation of their development of the features of the periphery and the instability of their development.

Within the framework of this work, the classification of border municipal areas by the level of sustainable development was carried out using the method of hierarchical cluster analysis based on normalized indicators characterizing the state of individual components of development [10]. The method of normalization was used in the work, taking into account the value of the permissible deviations of indicators from the norm, but using the available limits of the norm for indicators.
\[ S_{ij} = \begin{cases} 
1 - \frac{x_{j \text{norm}} - x_{ij}}{x_{j \text{max}} - x_{j \text{min}}}, & x_{ij} < x_{j \text{norm}}, x_{j \text{norm}} > x_{j \text{min}}; \\
1 - \frac{x_{ij} - x_{j \text{norm}}}{x_{j \text{max}} - x_{j \text{norm}}}, & x_{ij} > x_{j \text{norm}}, x_{j \text{max}} > x_{j \text{norm}}; \\
1, & x_{ij} = x_{j \text{norm}}. 
\end{cases} \]  

(1)

where \( S_{ij} \) - the normalized coefficient of the j-th indicator of the i-th district; \( x_{ij} \) – value of j-th indicator of the i-th area in the original scale; \( x_{j \text{min}} \) and \( x_{j \text{max}} \) are the minimum and maximum value of the j-th level for all municipalities; \( x_{j \text{norm}} \) – "reference" value of j-th indicator.

As a reference value, we have adopted thresholds for selected indicators, which are selected in such a way as to meet the standards and average values of the relevant indicators in Russia. Based on the graphical representation of the clustering process, four clusters (see Fig. 1).

**Figure 1.** Schedule of clustering procedure for sustainable development indicators, 2015.

In addition, it should be noted that the factor limiting the use of the potential of the border position is the underdevelopment of the far Eastern border. According to the Government of the Russian Federation, out of 46 checkpoints across the state border in the farEast, only four meet regulatory requirements. At the same time, the infrastructure of 35 facilities is in poor condition.

The program "state border of the Russian Federation (2012-2021)" provided for the arrangement of only 15 checkpoints. However, this list, according to Minvostokrazvitiya of the Russian Federation, was cut down, as it was not allocated budget funding.

To the current day among the nine border crossings located in the region, only two functionate (in the city of Blagoveschensk and settlement Poyarkovo Mikhailovsky district). There is no border infrastructure in 7 border municipalities. Therefore, foreign economic activity is carried out mainly in the areas of attraction to the existing mixed checkpoints, with the main foreign trade turnover (about 90%) falls on the city of Blagoveschensk.

Thus, the formation of contact zones in the border region is hampered by the socio-economic periphery of the territories, as well as the unsettled border infrastructure.

According to the official data of the Ministry of transport of the Russian Federation, the amount of funding for checkpoints in the far Eastern Federal district is only 50-60% of the required. This fact determines the need to find additional sources of funding.

Currently, the Ministry has prepared a draft Federal law "On amending the Russian Federation Law "On the State border of the Russian Federation" and certain legislative acts of the Russian Federation,
of organization of functioning and arrangement of checkpoints across the state border” in order to expand opportunities for吸引着 investments into the sphere of arrangement of checkpoints in terms of the reduction in Federal funding [11].

The interest of business in projects on the state border can be ensured by consolidating the low-profit segment with high-income, including the development of transport and logistics and customs and logistics infrastructure.

In our opinion, during the development of the state border of the most appropriate form is the concession agreements of various types, which are associated with the construction of objects of state ownership of the private sector in the different conditions (Table 1).

Table 1. Possible types of concessions in border management.

| Object                                      | Build | Operate | Own  | Transfer |
|---------------------------------------------|-------|---------|------|----------|
| Customs infrastructure                       | +     | -       | -    | +        |
| Transport and logistics, customs and logistics infrastructure | +     | +       | +    | -        |
| BOO                                         | +     | +       | -    | -        |
| BOT                                         | +     | +       | +    | +        |
| BOOT                                        | +     | +       | -    | +        |
| BTO                                         |       |         |      |          |

It should be noted that the first development should be given to crossings that have the infrastructure to bind to formed centres of economic growth (see Fig. (2)).

Figure 2. The binding infrastructure of border crossing points formed by the center of economic development of the region.

4. Conclusion

Due to its spatial position, the Amur region is able to perform the functions of a transit territory, with the proper development of the logistics potential of the region. Payment for transport and logistics services brings undoubted economic benefits to the transit territory, as investments are directed to the region with high logistics potential for the development of transport infrastructure, the introduction of modern transport equipment and technologies.

Currently, the program documents for socio-economic development of the region, despite the recognition of geographically middle position in the transport system of Far East District and the cross-border situation with China as competitive advantages of the territory, as well as the possibility of creating a transport and logistics complex on the territory, the creation and development of logistics infrastructure has not received adequate attention.

The formation and development of customs and logistics and transport and logistics infrastructure, using the PPP mechanism, is a promising direction for increasing the transit potential of the region.
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