Development of investment and construction sector in economic space from the standpoint of modern theoretical approaches

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Abstract. The article analyzes some aspects of the organization of investment and construction activities from the point of view of spatial economics. Territorial, resource, informational and institutional approaches to the definition of economic space are analyzed, conclusions are drawn about advantages and disadvantages of various approaches in terms of the development of the investment and construction sector. The administrative approach is considered separately, it is not described in the theoretical literature, but used in public administration, strategic planning of the Russian national economy, as well as in the formation of regulatory legal acts. The article proposes to use a systematic approach to the formation of a spatial framework of construction corresponding to the priorities and goals of economic development in the context of spatial development trends, based on the synthesis of available approaches in integrated economic systems within the construction complex.

1. Introduction

The spatial development strategy of the Russian Federation, developed for the period up to 2025, set new goals for the investment and construction sector of the country. The urgency of the problem of socio-economic development of territories and investment and construction activities is due to the need to substantiate new trends in the intensification of investment and construction activities for the purpose of strategic spatial reorientation. If we interpret the investment and construction sphere from the standpoint of spatial economics, there is a need for an in-depth study of its key categories, in particular, economic space. Spatial economics is a rather popular direction of economic thought in academic circles. The notion that economic participants act not just in an abstract market environment, but in certain regions with their own historical, cultural, geographic and logistic characteristics, is an important postulate of many economic studies [1–4].

Today, spatial aspects are one of the most demanded objects of analysis not only of economics, but also of other related branches of knowledge. The number of publications that, to a greater or lesser extent, examines the problem of the spatial organization of socio-economic systems is constantly growing. There are even attempts to form a separate spatial science that would combine economics, sociology, and environmental studies [5–7]. In addition to the scientific community, significant attention is paid to the spatial economy by large transnational companies that implement their business strategies and social projects aimed at a particular local community. Leading global companies often strive to make not only a universal brand that is in demand at the global level, but also products aimed at a specific region. Moreover, caring for the region where the company is located is an important
element of corporate social responsibility of large businesses trying to use the world's best business practices.

2. Materials and Methods
The government sector pays special attention to the spatial specifics of economic activity. The spatial economics is especially relevant for Russia, since our country has the highest number of regional entities with quite significant differences. The question constantly arises about the need to overcome the hyper centralization of the Russian economy, when the most significant financial, human and other resources are accumulated in only one region – in Moscow, a city of federal significance. As many scholars note, in Russian history there has never been such a strong "bias" of socio-economic activity towards one city (the capital). This situation actualizes the spatial consideration of the country's economic system [8, 9].

The spatial economics is not just the economy of the region; it considers economic entities (enterprises) present in a particular constituent entity of the Russian Federation, not just as components of the regional and federal economy, but as components of production and consumer chains, being interregional in nature, and are conditioned by economic and non-market factors [10].

Such production and consumer chains are formed, in particular, in the investment and construction sector, which is formally considered within the framework of Federal and regional structures, but in practice, operates on the basis of interregional entities that essentially constitute special economic spaces. The characteristic features of such production and consumer chains are their orientation to the principles of entrepreneurship. It seems that their very formation is the result of active entrepreneurial processes observed in investment and construction activities.

The entrepreneurial basis of the production and consumer chains developing in the investment and construction sector is distinguished by the following features:
- Presence of intersubjective interactions, formed due to the coordination of economic and other interests of participants in investment and construction activities.
- Ability to outline and interpret these interactions in terms of economic space.
- Development of the infrastructure of intersubjective contacts, contributing to their effective implementation in the person of professionally oriented public organizations.
- Emergence of a largely unique approach to data management of production and consumer chains - management of entrepreneurial interaction.

The objectivity of these signs indicates the need to introduce provisions into the theoretical foundations of investment and construction entrepreneurship that take into account the specifics of the spatial economy as an independent concept.

All of the above determines the significance of the analysis of various approaches to economic space (ES) definition.

3. Results and Discussion
In general, modern scholars determine several approaches to economic space: territorial [11], informational [12], resource [13], process [14] and institutional [15]. Having considered the existing approaches to the economic space, it is necessary to determine which of them is more relevant, the most clearly revealing the essence of modern economic processes in the investment and construction sector.

The most widely used is the territorial approach, which has been worked out in detail. The advantage of this approach is its attachment to specific territorial units (townships, cities, regions, territories, federal districts, etc.), which makes it more applicable in practice, when using the statistical information available in the country. At the same time, the expediency of its application in other formations is obvious - in production and consumer chains, taking into account industry characteristics, of which the most active are the chains that are formed in the entrepreneurial environment of the investment and construction sector.
All other approaches to the definition of ES have a much smaller scope of practical application and are more academic, theoretical in nature. Within the framework of monitoring socio-economic processes in the spatial economy, strategic planning and, moreover, the development of operational decisions, these approaches are not actually applied. However, this fact does not mean that they are not applicable, in principle, but only indicates the lack of initial data necessary for a comprehensive testing of these approaches. It is important to note that to compensate for this deficiency, the conditions created in the modern investment and construction sector are most acceptable due to the high entrepreneurial activity and high level of institutionalization.

In modern conditions, the development of an information approach to economic space is seen as promising. However, its development in the practice of strategic planning at the level of the national economy of Russia is difficult, since there is no toolkit for collecting initial data at the federal and regional levels. At the same time, the production and consumer chains inherent in the investment and construction sector have a fairly high degree of information saturation. This is one of the factors ensuring the establishment of entrepreneurial activity in it, the degree of which exceeds the activity recorded both in the country as a whole and in most other industries.

The paradox is that, despite considered scientific approaches to ES definition; in fact, a different approach is applied, not considered earlier. It can be conditionally called administrative, being a type of territorial approach. Within this approach framework, the ES boundaries essentially coincide with the boundaries established within the framework of the Russian Federation – these are, first of all, the boundaries of the entire country, federal districts, subjects and municipalities.

The advantage of the administrative approach is its fixation in regulatory legal acts, ease of assessment from the point of view of statisticians. And the disadvantage is its limitedness by the existing legislation, which defines both the boundaries of the economic space and the tools for influencing this space, which usually coincides with the current functions of state authorities, which are largely determined by the performance of regular activities without a proper strategic vision for the development of the territory, for example, region, region or city. The administrative approach does not take into account the entire completeness of interconnections within the economic space, it is distinguished by a bias towards the formal side of the issue, and however, it is the simplest and most understandable for representatives of government, business, and public organizations.

In our opinion, ES in the modern world is simultaneously a territorial, informational, process and resource category. On the one hand, the economic space is formed by the permanent exchange of information, its value is extremely high, on the other hand, and information cannot exist apart from the entity, which, in turn, can be represented in terms of resources directly involved in economic activity, the owners of these resources affecting economic processes [16]. In turn, the territorial aspect of the spatial understanding of the economy cannot be denied.

It should be noted separately that the economic space of Russia is not equal to its territory. Of course, historically ES were formed based on a certain territory, however, in the course of globalization, spatial boundaries started to go beyond administrative boundaries of states, crossing of boundaries got so comprehensive that it became possible to speak not about the ES territorial unity, but only about the joint territorial attraction [17].

Meanwhile, within the framework of the institutional approach, it is customary to define the border of the economic space of Russia as the border of its territory, putting an equal sign between the administrative borders and the institutional environment [18]. This approach seems to be not entirely correct and not fully consistent with the challenges of globalization. It seems expedient to develop these representations by elements of an information and systematic approach, including in the economic space of Russia not only economic agents located in the territory of the Russian Federation, but also foreign economic agents that interact with subjects within the country.

It is possible to single out a number of domestic authors who presented their own definitions of economic space. So, R.M. Doshaev believes that "a single economic space is a territory or a sum of territories, where economic relations are carried out uniform in form and content" [19]. The presented definition can be attributed to the territorial approach, as a single currency, general legal norms and
unified state regulation bodies, identified by the author as defining features, unambiguously refer the economic space either to the territory of the entire state or to its territorial entities. A.A. Rumyantsev considers ES within the territorial approach framework, he notes that "the economic space embodies social reproduction in the territory with its connections in the spheres of production, distribution, exchange, consumption and implementation of the triad harmonious functioning: nature, population, economy" [20].

A.A. Urunov broadens spatial interpretation boundaries of economic activity, proposing to separate such concepts as the single economic space of Russia (SES) and the common economic space of Russia (CES). He defines SES as "a set of territories", and CES is considered as "a sum of the territories of integrating countries, the process of regulation of public (interstate) labor formalized by an interstate agreement by canceling customs restrictions and creating (in the future) a single market of the participating countries and a single competitive environment" [15]. The allocation of a common economic space into a separate category is seen as a progressive step, but the author's adherence to the territorial principle is still traced – foreign business entities can enter into such an ES only if there are interstate agreements, although in reality trans-national business operates even in low legal interaction between states.

The presence of interstate agreements cannot be considered as the only factor determining the boundaries of economic spaces [21]. It should be noted that the expansion of interstate agreements that erase customs barriers and contribute to the creation of a single market does not always contribute to the development of the national economy. It is enough to give an example related to Russia's accession to the WTO – this step, in the opinion of the majority of Russian scientists, did not lead to significant positive changes in the economic complex of Russia. So it is better to use systematic approach to characterize the economic space, which in fact unites all existing ideas.

Economic space is an orderly systemic activity of economic and other entities, having a single information and territorial attraction, using their resources to achieve a mutually beneficial socio-economic effect. The economic space of Russia is an orderly systematic activity within the framework of regional, sectoral and social economic subspaces, having a single information and territorial attraction within borders of the Russian Federation, using their resources to achieve a mutually beneficial socio-economic effect [22]. The economic space functions in relation to investment and construction activities are as follows:

1. **Institutional function**
   The meaning of this function is to maintain and develop the institutional environment within which the overall economic process is implemented. This function can be presented from two sides: on the one hand, the aggregate economic process affects the institutional environment, ensuring a decrease in the level of transaction costs that are formed by institutions, and on the other hand, the institutional environment itself sets the framework in which the aggregate economic process exists.

2. **Corrective function**
   Economic entities are forced to permanent coordination of their economic interests with interests of other entities included in this economic space. If this coordination is absent, the level of costs grows substantially.

3. **Regulatory function**
   As part of the implementation of this function, the institutional mechanisms of the economic space set the vector of the activity of economic entities, transforming their private economic processes into an aggregate economic process, in which most of the economic entities included in this economic space are involved.

4. **Economic time synchronization function**
   Economic participants have to synchronize the economic time of their private economic processes with the economic time of aggregate economic process. If this synchronization is absent, private economic processes are isolated from the economic space, as their competitiveness level is not high enough to join the space.

5. **Optimization function**
This function is based on the fact that one of the sources of the competitiveness of an economic entity is common goals based on trust between entities that are part of the economic space, as a result of the intertwining of their economic interests. Optimization of the goals of an economic entity with the goals of other entities leads to a decrease in transaction costs and increases competitiveness.

6. Informational function

Within the economic space framework, information is gathered about the economic environment, used by participants’ in the aggregate economic process.

4. Conclusions

To sum all the above, it is necessary to emphasize that economic space is revealed by the systemic approach, considering ES as a territorial, informational, process and resource category. This approach also considers reference of economic entities to the region, focuses on the movement of resources and information, meso- and macroeconomic processes, including the economy of a particular constituent entity of the Russian Federation. At the same time, it seems rational at the level of state authorities’ policy to supplement the administrative (territorial) approach with described economic space components. Bringing the theoretical research of the concept of economic space closer to the specifics of investment and construction activities that develop on the principles of entrepreneurship, it should be noted that, in General, the presented approaches have conditions for application at this level. However, it should be noted that during the “transition” from interstate and interregional relations to relations implemented by business structures in a specific area, a number of specific features appear, which are partially analyzed in this article.

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