Features of territorial organization of regional investment and construction complex in Russia

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Abstract. Within the framework of the conducted comparative analysis, the features of the organization of the regional investment and construction complex were revealed; the dynamics of the construction industry was shown. Based on the in-depth analysis of the factors of formation and functioning of the investment and construction complex of the region, the question about identifying determinants of negative character was raised, the ways of improvement were offered.

Introduction

Construction as a sector of the national economy is the point of growth of the state economy, the key to its effective development, both economically and socially. The dualistic nature of the problems existing in the construction industry, necessitates the development and practical implementation of a set of measures, aimed at stimulation of investment activity in the construction sector.

The negative results in the construction industry of modern Russia, observed in recent years had been due to the influence of crisis phenomena, which contributed to higher inflation and led to the costs in the construction industry sector. The attempts to improve the system of state management of the construction industry carried out in recent years in accordance with the new economic guidelines were ineffective. Qualitatively new economic conditions that contribute to the development of investment and construction activities in the regions of Russia have not been created. In this situation, of paramount importance is the scientific choice of the strategy for the further development of state management institutions, the specific ways and means of overcoming, their inherent shortcomings in order to create an effective mechanism for the territorial organization of the investment and construction complex.

Analysis of recent achievements and publications

Being one of the main sectors of the national economy, the construction industry could not but attract the attention of various researchers. The contribution to the theory and practice of economic activity in the construction was largely made by domestic scientists. Scientific works of many authoritative researchers are often devoted to the study of the situation in the industry or in its separate segment (A. N. Asaul, M.Yu. Abelev, M.K. Belyaev, G.Yu. Novikova, P.V. Pavlov, V.Z. Chernyak, L.M. Chistov). However the analysis showed that in the scientific literature there are practically no works,
which analyze the problems of the construction sector in the space, that is, territorial reference. The question of systemic restructuring of the construction industry itself remains open, giving it the ability to effectively solve the problems of investing in construction and implementation of capital investments.

**Formulation of goals and setting the objectives of the work**
The aim of our study was to develop a theoretical basis for improvement and management of investment and construction complex, as well as the development of a set of measures aimed at improving the effectiveness of this field of activity in modern conditions. Taking into account the objectives of the study, a number of interrelated tasks are set: clarify the scientific conceptual and categorical framework; identify the main trends and development objectives of investment and construction complex in the region; based on a comparative analysis to show the dynamics of the construction industry; develop practical recommendations to improve the management of the investment and construction complex.

**Presentation of the main research material, formulation of recommendations**
For the analysis of the current state, as well as the existing problems in the organizational support of investment projects in construction, it is necessary to determine the main basic categories. The most commonly used concepts in the scientific literature are “construction”, “construction industry”, “construction sector” and “investment and construction complex”. It should be noted that today these definitions are distinguished quite clearly in form and content. For example, V.Z. Chernyak considers construction as a material reproduction based on the construction and reconstruction of buildings and structures. The position of the scientist is that the category of "construction" should be considered from two sides [6]:

- *in technical, engineering sense* (production activity, reconstruction, survey and design works, modernization, re-profiling);
- *in economic sense* (sector of the national economy, which has manufacturing enterprises which activity is connected with construction of residential and public buildings, and also constructions including those rebuild).

The concept of "construction industry" describes the sphere of construction, however, in our opinion, can not fully reflect the real essence of real economic relations in the modern construction. If we proceed from the understanding that the industry is a set of enterprises, integrated by homogeneous consumption of materials and having a single economic purpose of products produced, it should be recognized that the concept of the construction industry is more specific than the concept of "construction complex". Moreover, the use of the definition of "complex" refers to complex structure of the construction industry, focuses on the total composition of the numerous sectors of construction production, considers the subject-object composition of construction as a diverse system having interrelations between different elements, subsystems and sectors of the complex. In this regard, M.K. Belyaev, G.Yu. Novikova in their monograph indicate that in the system of regional economy this definition should be considered as a diversified investment and construction operational complex [1]. Differentiation of general economic starting conditions and development potential of construction business, regional construction markets acts as an objective condition for the formation of the regional investment and construction complex. At the same time the construction potential of the region largely depends on how balanced the financial investment flows are.

Investment and construction complex of the Rostov region has developed very rapidly over the past decades and occupies a leading position in the main indicators of activity in the Southern Federal district. As the research of the Federal State Statistics Service shows, quite a lot of small and medium-sized businesses operate in the investment and construction complex of the Rostov region. So, in 2017 more than 6000 large and medium-sized enterprises and organizations carried out their professional activities in the construction sector, which allowed to provide more than 12% of the total regional construction [2]. In the Rostov region, a three-level system for attracting investment in construction
has been created and is functioning, which provides for the organization of work on the implementation of the state investment policy at the interdepartmental regional and municipal levels [6]. Below is the index of physical volume of investments in fixed capital of investment and construction complex in fixed prices (refer with figure1), as well as the index of physical volume of works performed by type of economic activity "Construction" [5].

![Figure 1. The index of physical volume of works performed by type of economic activity "Construction"

These data indicate the trend of growth of indicators of the actual volume of investments in 2015 and 2017, which indicates the high investment attractiveness of the region and the growth of the corresponding regional product in the construction industry as a whole. To ensure the activation of investment processes in the region, an expanded Register of investment projects of the Rostov Region was formed. [3], prepared on the basis of the information provided by municipalities and sectoral ministries. As a result, the Register includes 690 investment projects totaling 621,215 billion Rubles, with the creation of 36613 new vacancies. By the end of 2018 10 projects with the investment volume of 18.8 billion rubles were put into operation.

Thus, the analysis of the situation in the investment and construction complex has shown that in the Rostov region over a number of years major investment projects have been implemented that have a positive impact on the situation in the economy. The main feature of the territorial organization of the construction investment in the Don area is the established and well-developed infrastructure in comparison with other regions of Russia. Another feature is the presence of a developed environment to attract investment and a developed market of investment and construction services.

But despite the leading position of the region in the Southern Federal District in terms of construction and investment volumes, there are many problems in this industry. In this connection, based on the in-depth analysis of the factors of formation and development of the investment and construction complex of the Rostov region we have identified the determinants of a negative nature, which are presented below.

1. Let’s pay attention to such problem as financial insufficiency of the enterprises of the construction complex, which does not allow them to carry out production activities without the use of borrowed funds. In the Rostov region construction companies mostly do not have large capital reserves that put them in financial dependence. This indicates the need to find alternative sources and mechanisms for financing investments in the construction sector that will allow the development of housing construction, bringing the banking system of the country in a state adequate to the needs of the real sector of the economy. Such sources could be collective investments and as a mechanism for the implementation of built-up housing could be sale on lease.

2. With a variety of forms of business participation in the construction industry, a special role should belong to the authorities. Any large construction project involves the creation of infrastructure. At the moment in Rostov region there is an urgent need for socially significant facilities - hospitals, schools, kindergartens, etc., especially for newly created residential complexes, where social infrastructure is not developed. However, taking into account the long payback period business alone
cannot finance social and public infrastructure projects in construction. Meanwhile, the availability of
developed infrastructure increases the investment attractiveness of the territory, which is a condition
for sustainable growth of income of the population and the local budget of the territory. It seems to us
that the way out of this situation can become the mechanism of public-private partnership, which is
especially important in the construction of social infrastructure facilities for residential development of
the territory, allowing implementing an integrated approach to the development of promising areas.

3. Production of construction materials. According to the Federal Service of State Statistics of the
Russian Federation in total more than 6219 operating enterprises of the construction industry are
registered in the region. If we speak about the number, at first glance it may seem that he Rostov
region has enough available capacity for the production of building materials. But when it comes to
quality, the technological component of such enterprises does not meet modern requirements. Based
on the analysis of statistical data, we can conclude that in recent years no more than 15% of
enterprises of the construction industry were engaged in technological innovations in the region, and
the wear rate of the capacities in the industry reached 54% [4]. We believe that in order to solve this
problem, the following recommendations should be implemented: to upgrade at least 20% of the fixed
assets of enterprises of the construction materials industry; to attract necessary investments for the
modernization of existing production facilities; to achieve reduction of resource consumption, energy
and labor costs for the production of construction products.

Summary
The conducted analysis rightfully allows saying that the construction complex of the Rostov region is
a separate cluster of the economy that preserves and stimulates the development of production and
economic potential, and creates a basis for investment, innovation and economic growth. It is a
powerful institution of development of spatial economy as involving a passive part of fixed assets
(buildings, structures) in a turn, the potential of economic entities increases, and effective use provides
them with economic and financial independence which contributes to the growth of competitiveness of
the region. However, in the course of the study it was revealed that the Rostov region, occupying one
of the leading positions in the Southern Federal District in terms of construction volume, attractiveness
of investments, has a lot of problems. In this regard, the determining factors negatively influencing the
development and territorial organization of investment and construction complex were revealed. We
believe that the proposed measures for solving the problems in the construction industry will allow us
to consider regional policy not just as a set of measures aimed at meeting the social needs and
fulfilling obligations, but also as a factor of investment attractiveness of the region and strategic
benchmark for an effective territorial organization of regional investment in construction. At the same
time, the developed areas of improvement in our opinion will form the necessary reserve of the Rostov
region development and will provide a positive tendency in solving the problems of the construction
sector in the future.

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