

Entrepreneurship and Economic Globalisation in Primorsky Region: Problems and Decision Ways

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ABSTRACT

Present article examines the nature and the essence of economic globalization, its contradictions, positive and negative sides of its appearing, and also analyzes the participation of the enterprise activity subjects in the processes defined by the term «economy globalization», in Primorsky region of the Russian Federation. The problems, available by the current moment come to light, and search of possible ways of their decision are carried out.

Keywords: *Entrepreneurship, Enterprise Activity, Globalization*

INTRODUCTION

For present time the discussion about the role of economic globalisation, whether positive or negative, is not ended. In particular, bears the given phenomenon the threat of suppression of separate national economic structures or, on the contrary, serves as the considerable and effective factor of economic

development. However, estimating globalisation comprehensively, objectively, it is necessary to recognise, that the account and rational use of world experience form a basis of progress and is necessary for any country.

GLOBALISATION

Analyzing globalisation as a phenomenon, which separate aspects, at least, having economic character, have arisen in antiquity, in the Middle Ages, and brightly shown already in XIX, XX centuries, and, in particular, last 20-30 years when there was promptest increase in rates of the given phenomenon, it is easy to notice: it captures the most different parties of human activity, the most various spheres of public life.

The globalisation question became rather actual already in 1990th years, though separate parties of the given process were actively discussed by scientists, beginning already from the second half of XX-th century.

However, despite the urgency of the problem of globalisation, today still there is certain vagueness concerning that it is necessary to understand as the phenomenon and the process defined by the term "globalisation". Therefore, in our opinion, analyzing the specified processes, to begin with it makes sense to understand the terminology characterising investigated sphere of relations a little.

The modern model of economic, in our opinion, should be considered as a natural result of economic development, the certain global economic mechanism characterised by a continuous deepening of the interrelations and the interdependence between developed and developing countries of our planet, a growth of the processes of internationalisation of manufacture, capital, technological innovations, the liberalisation of the interstate

financial sphere, the formation of influential international structures regulating the economic interaction between countries which, in turn, is an objective consequence of the natural aspiration of managing subjects to the maximum profit and riches, a constant search of new spheres for even more effective use of capital, new resources for the manufacture of material benefits, new commodity markets of goods and services that is caused by going deep processes of the division of labour at a world level, the occurrence of modern systems of communication, fast and effective ways of moving capital in space.

To the greatest degree the occurrence and functioning of the processes of economic globalisation were influenced by the international economic integration processes.

The international economic integration can be defined as an activity of the states, economic agents (enterprises) and other subjects of the economic and other activity, directed towards the interaction (the mutual adaptation and penetration) between separate national economies that generates the association of the economies of co-operating states in a single whole for the decision of specific targets and their integration in a uniform production within the limits of the countries included in integration processes.

On W. Beck, as the globality it is necessary to understand a phenomenon of formation of a uniform world financial, information and industrial-technological economy [1].

What, eventually, is it defined by the concept "globalisation"? At the present stage there is a set of definitions of the specified phenomenon, any of which is not standard, not saying also that researchers frequently put diversified meanings into this concept.

In scientific works the first mention about the globalisation has appeared in 1961 in Webster dictionary which was defined as

the beginning of clear comprehension of increasing value of the interrelation of social events and relations to all world [10].

In a modern context, the globalisation phenomenon is considered as a process of the world economic, political and cultural integration, owing to what are shown the division of labour at the international level, the continuous moving of capital, industrial resources in the scales of all the planet, the unification of legislation, economic and also technological processes, the rapprochement and merge of cultures of the most various states. Globalisation is an objective process having a system character and covering all spheres of a public life. As a result of the globalisation the world becomes more connected and more dependent on all its subjects, there appears as an increase in the quantity of the general problems of group of states, and also an expansion of the number and types of integrated subjects [2].

However, following logic, in the course of globalisation, considering actual transfer of the separate part of national sovereignty (sovereign powers) by national states to the system of transnational interactions, there is a distribution of the capitalism of the free market to all the regions of the world and a submission of sovereign states to its rules, that, in turn, is accompanied by a decrease in their independence [6].

In a case with economic globalisation it is necessary to talk about the process, in which course the world is transforming into a certain uniform global economic system.

In some scientific works authors bring an attention to the question on legitimacy of the use of such term as «glocalisation» which, in turn, expresses the parity of the processes of globalisation and localisation [10, 11].

Certainly important point characterising the processes, named as economic globalization, is the fact, that the economic interaction between developed and developing states is carried

out on the model «the centre – the periphery» which is characterised by an unequal economic exchange and getting considerable material benefits by the "centre" at the expense of the "periphery".

The processes of the integration of certain countries, including being at enough low level of social development, into international cooperation, interaction has essentially changed the sight of individuals at their place in the world, gradually displacing "obsolete" patriotic ideologies, fairly giving way to cosmopolitanism - up to state level.

A large quantity of international structures, formations, both state and not state character, even for today, though their quantity increases every year, with which help an effective interaction is carried out in the most various spheres - economic, political, legal, scientific, social, serves as a proof for this.

It doesn't have any sense to talk about the economic globalisation in positive or negative way as growing processes of the international economic cooperation and integration, despite the fact that they have some negative consequences, are objective, how much it is possible, a consequence of the progress- as scientific and technical, so, including, and social (in a smaller measure), mentioned human society in the XX-th century. Economy globalisation, despite the complexity inherent in it and discrepancy, is one of the natural laws of world economic development.

So, it is possible to name the following among the positive sides of the processes of economic globalisation: the deepening of fundamental economic processes, lifting of the process of the division of labour at the world, international level; the formation of a favorable economic space, the decrease in the trading barriers between countries; the simplification of the economic interaction between states (including the invention of the newest systems of

communication); the simplification of the processes of the realisation of foreign investments; the creation of conditions for an access of countries to the advanced achievements of mankind in the most various areas; the maintenance of economy of resources; the stimulation of world progress (including, by the formation of a global competitive environment).

And among negative consequences of economic globalisation we can name the following: as a process globalization is used in interests of the several most developed postindustrial states, frequently to the detriment of the majority of the countries of the planet (including, manufacture and sale monopolisation, redistribution of resources in advantage of "world ruling class»); frontiers are washed away, the role and influence of national governments is weakened, limited or even national sovereignty disappears at all, making way for the power of influential international economic organisations, transnational corporations, the mass media, the largest proprietors of financial capital.

The loss of the resources of less developed (in economic sense) countries, whose economy, basically, is focused on import;

The distribution of the globalisation of competition in weak countries (though under present circumstances the global competition is carried out not between countries, but between transnational corporations, those form the centre of world economic system and supervising more than the half of the turn of international trade and finance, and also the most profitable branches of the economies of various countries);

The ruin of the certain kinds of small-scale business (including, economically developed countries);

contribution to the growth of the rate of unemployment in postindustrial countries where so-called «capitalism without effort» already becomes a mass phenomenon;

the newest information communication systems have immeasurably strengthened the ability of financial capital to move really fast (as R.A.Kuchukov, A.V.Savka write, «speed of the turn of capitals has reached a monstrous size - billion dollars a minute, or one and a half billion a day ... now speculative financial operations are capable to make profit much faster and bigger than the investments of capital into manufacture, even then, when we talk about innovative technologies» [6]), that potentially creates a possibility for the destruction of steady economic systems; aggravation of ecological accident on the planet.

But if all is, more or less, clear about the theoretical aspects of the processes defined by the term "globalisation", despite the fact that there is a considerable quantity of contradictions, disagreements, there are, in turn, enough problematic questions on the globalisation of our domestic economy, its positive and negative sides, about the role of Russia in system of the international economic interaction on the model «the centre - periphery», about arising difficulties during the realisation of the present external economic tactics and strategy of the Russian Federation, and also about the possible ways of their overcoming.

Russia is the country which is extremely rich with natural resources and which territories have such quantity of the minerals, renewed raw materials and other natural values, that, proceeding from the criterion of the quantity of resources, the Russian Federation has a planetary value.

Russia has not less than 50 % of the cumulative world natural resources, and the amount of natural resources for one inhabitant in our country exceeds the world indicator almost in 18 times, owing to what the world community looks at Russia as at a resource pantry of the nature, and some states with developed economy try to use the period of economic difficulties in our

country to leave Russia for long time only as a resource appendage of the developed states [5].

However, despite the objective laws of world historical experience say to us, that for an effective economic development it is necessary to limit the exclusive position of the exporter of raw materials, to develop manufacture and export of an actual industrial output, the Russian Federation remains to stay as one of the main suppliers of natural raw materials in the world market which national interests go only for the capital increase of "the big seven», leaving Russia a "periphery" role in the world market.

In the given research it would be desirable to analyse and generalise the separate displays of the globalisation in the Far East of the Russian Federation, especially in Primorsky region, the participation in these processes of the subjects of small business as one of the most considerable factors of domestic economic, to designate the tendencies available for the present moment, the interaction problems, to offer the possible directions of their overcoming.

The history of the participation of the Far East of Russia in the processes of economic globalisation had begun simultaneously with its economic development. So, in the end of the XIX-th century the Far East actively took part in the trade on the foreign market. Within the limits of the concluded trading agreements of Russia with the USA (1832), Japan (1855), China (1858), Korea (1884) the Russian Far East exported gold, furs, seafood, herbs, and also wood export had accepted a regular character since 1907 [3].

The Far East of the Russian Federation, including Primorsky region, is situated enough far from the central part of Russia, actually it is cut off from its home market, that, certainly, makes the Far East production much more expensive. All of it has

generated the formation of the following important feature of the development of business: anyway, for Far Eastern businessmen it was more favourable and easier to co-operate with the foreign structures from the Asia-Pacific region countries, than with the Russian partners from other subjects of the country. The given circumstances, and also the fact, that Primorsky region is situated on the frontier territory and borders with some foreign states at once, had given a considerable push for the development of international joint business in Primorsky region.

Primorsky region, partly because of the favorable geographic location, partly because of the rich and various natural resource potential, was extremely attractive to foreign investors. So, during 9 years, with 1992 till the end of 2000, the quantity of the joint enterprises, made with foreign investments and operating in Primorsky region, had increased almost in 10 times. The main part of the international joint enterprises had been created and functioned with the assistance of the Chinese capital - 38 %, Republic Korea - 14 %, the USA - 9 %, Japan - 6 %, the total authorised capital of all the operating enterprises with foreign investments in Primorsky region totalled 3,6 billion rbl. by the end of 2000 and had increased in 2,7 times comparing with 1999, and the share of foreign partners in it totalled 56 % [7].

On the amount of foreign investments and the joint enterprises created with foreign investors Primorsky region was the leader among other regions in the Russian Far East up to 1998, when it had lost the investment appeal and in 2004 in the investment rating of regions PA "Expert" had been ranked in the group «with high risk and lowered potential». Nevertheless, according to the Primorsky committee of state statistics, 395 enterprises with foreign investments, including 175 small sized firms, operated in Primorsky region on 01.01.2005 [8].

So, according to the data of the territorial body of the federal service of the state statistics in Primorsky region for 2009, the receipt of the foreign investments into Primorsky region totalled 80,7 million US dollars, while the given indicators were considerably higher in the other regions of the Russian Far East. For example, into Sakhalin area - 5768,7 mln. dollars of the USA, into Sakha Republic - 1117,7 million, into Chukotsky autonomous region - 468,8 million, into Khabarovsk region - 265,1 million, and into Amursky area - 212,1 mln. USA dollars. And the total of the operating enterprises with the participation of foreign capital numbers 344 units.

As it is possible to see, despite the favorable geographic location and economic potential of Primorsky region, foreign investors avoid from serious investments into the Far Eastern commercial enterprises that is caused by the adverse investment climate in the region, expressed in the imperfection of the legal base, the opacity of the Russian business, the intense criminal situation, corruption and bureaucracy of the officials, controlling the enterprise activity in the region and the whole list of other factors. And anyway, the biggest amount of the foreign investments is received by the big and medium sized business.

It is necessary to tell also about natural consequences of such conditions, for example, all negative characteristics of the investment climate and entrepreneurship environment in Primorsky region, the Far East and Russian Federation as a whole, and also about the integration of Russia into the business world, the opened possibilities of moving capital: such circumstances frightens off not only the foreign investors, but also the domestic businessmen. In the process of economy globalisation, instead of a desirable inflow of foreign investments, the country had received only a large-scale outflow of the Russian

capital abroad, and the tendencies of the given phenomenon keep their force on the present day.

Moreover, the economic interaction of domestic businessmen with partners from the Asia-Pacific region countries carries, generally, a trading character, and the cooperation in the sphere of the exchange of production factors, technologies, innovations has an extremely insignificant character.

For example, in 2008 the foreign trade activities of Primorsky region were carried out with 84 countries, comparing with 81 country according to 2007, and the greatest amount of foreign trade operations was traditionally realized with the Republic of China, Japan, Korea and the USA [4].

According to data of territorial body of the federal service of the state statistics in Primorsky region for 2009, the export of the production of Primorsky region totalled 1158300 thousand USA dollars, and import - 2979300 thousand USA dollars. The export of services, in turn, numbered 466886,5 thousand dollars USA, and import - 113213,4 thousand USA dollars. It says about the negative balance of the foreign trade activity of Primorsky region and the actual outflow of the domestic capital abroad.

Thus, talking about the small sized business role, the most considerable contribution of small sized enterprises into the industrial output is realized in the form of the manufacture of a foodstuff, the wood building materials production[4].

Besides, both in the pre-revolutionary, and during the Soviet historical periods of the life of our country, and also at the present stage, the external economic cooperation of the regions of the Russian Far East is carried out, basically, in the form of foreign trade, and the specialisation of the Far East in the processes of the international division of labour continues to have a resource character.

So, for example, the economic cooperation of the regions of the Russian Far East and China is carried out, basically, in the form of trade in natural resources. Energy, wood, forest products, machine-building production, black and nonferrous metals, oil and mineral oil, fish and seafood are exported to China while the import is presented by foodstuff and consumer goods (usually with high added cost) [9].

CONCLUDING REMARKS

Doing conclusions, in our opinion, it is necessary to paraphrase and add a little to the already told.

Economic globalisation is only a consequence of the deepening of economic development, scientific and technical progress which has essentially simplified the ways of the communications between the people, organisations which are in thousands of kilometres from each other, considerably increased the mobility of individuals within all the globe. Economic globalisation is an extremely rigid process, having the natural selection character, in which course only the strongest can survive. But the investigated processes are objective, natural, and, despite all the described above numerous contradictions, the counteracting to the processes of the international economic integration is simply senseless. In our opinion, it is necessary to create new and to modernise already existing international power-holding structures, which will be able (including, by working out and acceptance of the international legal certificates) to regulate the processes of the globalisation of economy, doing it impartially, on the basis of humanistic principles and ideals, effectively using the advantages and smoothing the possible contradictions of the investigated phenomenon, protecting economic stability of many

states, always looking for the mutually advantageous compromises for co-operating countries.

Telling about the consequences of prompt involving of Russia into the business world, the liberalisation of the sphere of the external economic cooperation of the Russian Federation, we can say that they are extremely adverse for today. Against the numerous internal difficulties and contradictions in the country, the increase of the active business cooperation with foreign partners, usually in the sphere of trade in natural resources (including, not renewed), we can see the decrease and disintegration of the industrial production, the growth of the import of industrial goods with high added cost, that, as a result, is one of the reasons of the subsidence of the Russian resource capital abroad, of the actual plunder of the natural resource sale incomes, which should help the creation of new modern industrial productions and the modernisation of the industrial productions created for the moment.

In our opinion, for the development of more effective external economic cooperation, in Primorsky region, also in Russia as a whole, it is necessary to correct the administrative situation, to counteract the corruption, bureaucracy, to improve the legal base, to develop the small sized business, to create the favorable entrepreneurship environment, that, in aggregate, will make the foreign investors confident in safety of their investments. The cooperation with foreign partners (including, the sphere of an exchange of manufacture factors, technologies) will allow to raise the amount of goods with high degree of processing and hi-tech production in the export of Primorsky region, that, in turn, will allow Russia to be released from the role of the resources appendage of the developed countries.

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