THE GOVERNMENT AND BUSINESS COLLABORATION IN DESIGNING INDUSTRIAL POLICY IN THE RUSSIAN RAILWAY MACHINE-BUILDING

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Diana Pereversieva,

Post-graduate student, the Department of World Economy and International Relations, Moscow State University of Economics, Statistics, and Informatics (MESI)

Tel.: (495) 442-23-93 E-mail: pereverzeva@yandex.ru

Viacheslav A. Lipatov.

PhD in Political Science, Associate Professor, the Department of World Economy and International Relations, Moscow State University of Economics, Statistics, and Informatics (MESI) Tel.: (495) 442-23-93

E-mail: VLipatov@mesi.ru

The article is devoted to improvement of the mechanism of the government and business collaboration in designing industrial policy. Materials and data of the passenger railway machine-building industry were basis for the analysis. The article draws a lot of attention to regional aspects of the issue. Proposals for the improvement of political mechanisms of the coordination of interests were worked out based on the business proposals and positions of government bodies.

Keywords: pressure group, accommodation of interests, industrial policy of foreign countries, industrial policy, government development strategy, railway sector, railway machinebuilding.

Диана Переверзьева,

аспирантка, каф. Мировой экономики и международных отношений, Московский государственный университет экономики, статистики и информатики (МЭСИ) Тел.: (495) 442-23-93

Эл. почта: pereverzeva@yandex.ru

Вячеслав Анатольевич Липатов,

к.п.н., доц. каф. Мировой экономики и международных отношений, Московский государственный университет экономики, статистики и информатики (МЭСИ)

Тел.: (495) 442-23-93 Эл. почта: VLipatov@mesi.ru

ВЗАИМОДЕЙСТВИЕ ГОСУДАРСТВА И ПРЕДПРИНИМАТЕЛЕЙ ПРИ ФОРМИРОВАНИИ ПРОМЫШЛЕННОЙ ПОЛИТИКИ В РОССИЙСКОМ ЖЕЛЕЗНОДОРОЖНОМ МАШИНОСТРОЕНИИ

Статья посвящена совершенствованию механизма согласования интересов государства и бизнес структур при формировании и реализации промышленной политики. Автор уделяет большое внимание региональным аспектам данной проблемы. Предложения по совершенствованию политических механизмов согласования интересов были разработаны, основываясь на предложениях предпринимателей и позиции государственных органов власти.

Ключевые слова: Группы лоббирования, согласование интересов, промышленная политика зарубежных стран, промышленная политика, государственная стратегия развития, железнодорожный сектор, железнодорожное машиностроение.

1. Intriduction

Unlike the aircraft engineering and automotive industry and the majority of other machine-building industries suffering a lack of orders and strong foreign competition, the Russian railway machine-building industry has a good potential. The CJSC Transmashholding is the largest company on the railway machine-building market. In 2010 the Russian Railways continued to be a key partner of Transmashholding. Almost the whole range of products required by the railroad sector is supplied by Transmashholding: freight and passenger electrical and diesel locomotives, passenger coaches, electric multiple units and rail busses. [1]

2 Proposals of businessmen of the Russian railway machine-building industry at the federal level

According to the Concept of development of Incorporated Car-building Company Trasmashholding, the addressee of proposals of businessmen of railway mechanical engineering on the perfection of state industrial policy in the industry are federal and regional public authorities. [2] For the scientific research interest it is interesting to consider proposals which are aimed at working out an effective and weighed state industrial policy in railway mechanical engineering. We will consider some of them.

First, it is supposed to provide the state support to the consolidation of enterprises of the industry within the limits of one company. For example, the state-owned corporation The Russian Railway within the limits of investment and research-and-development programs oughts to stop realizing projects aimed at indirect formation of competition among domestic enterprises and should also assist in the privatization of state enterprises.

Secondly, proposals of the Conception provide the protection of domestic enterprises of railway mechanical engineering from a competition of international corporate structures (Siemens, Bombardier, Alstom, Kawasaki/Hitachi, General Electric and General Motors) by assistance in working out as much as possible favorable conditions at Russia's accession to the World Trade Organization regarding the organization of a transport policy and the protection of manufacturers of rolling stock, and by working out by the Ministry of transport of the Russian Federation Russia's access strategy into world transport networks to guarantee effective protection of interests of home producers of a rolling stock and to promote an access of their production on the foreign markets. As the tool of counteraction of an unfair competition from foreign competitors, standards, technical regulations and requirements for a rolling stock might be used. Protectionist customs duties on the railway technics, which can or could be manufactured in Russia, and the creation of legislative interdictions for participation of foreign companies in the management of strategic enterprises of railway mechanical engineering are up-to-the-minute. Businessmen act also for assistance in working out by the Ministry of economic development and trade of the Russian Federation, the Ministry of transport of the Russian Federation and the Ministry of the industry and power of the Russian Federation other bills protecting position of the Russian machine engineers in the domestic market.

Thirdly, it is provided to impose rigid technical standards concerning a maintained rolling stock to protect the domestic market from Chinese manufacturers.

So, the first three groups of proposals express disagreement of businessmen concerning the active policy of the state counteracting consolidation of the enterprises of railway mechanical engineering within the limits of one company.

World experience proves a position of businessmen. In the conditions of globalization competitiveness of the Russian passenger railway machine-building should be considered, and guided not only within the internal market, but also in the global market. Now only the largest transnational corporations, such as Siemens (Germany), Bombardier (Canada and Switzerland), Alstom (France) and Hitachi (Japan), can produce competitive railway vehicles. They together occupy three quarters of the world market. Each of specified above the companies for railway technics has the annual gain comparable or exceeding total amount of purchase and modernization of

a rolling stock in Russia for a year, and also the income of all Russian enterprises of railway mechanical engineering taken together. Annually each company spends for research and development and technological development more than 300 million euro that more than ten times exceeds similar indicators in all Russian branch enterprises. [3] Therefore, in the conditions of globalization it is essential to consider the competitiveness of the Russian railway mechanical engineering not only on the internal market, but also on the global one.

More effective tool of counteraction to monopolism, according to the author, is the system of the realistic priorities defining a parity of import and own manufacture of a railway rolling stock, the equipment and accessories. [5] On the basis of these priorities the structure of investment and scientific and technical programs of the state company JSC Russian Railway should be formed.

Fourthly, maintenance of gradual transition to rolling stock updating only thanks to acquisition of new railway technics mainly of domestic production by elimination of an alternative way capital renewals with modernization and service life prolongation. Acquisition of new railway technics reduces working costs, provides more efficiency and traffic safety. The businessmen also act for increasing technical requirements to the vehicles which have passed capital renewals with modernization and prolongation of service life in the CIS countries; strengthening supervision for technical conditions of maintained railway vehicles by maintenance of working out and the statement of the laws regulating timely updating of park of a rolling stock. They want domestic enterprises to be involved in working out of infrastructure and a rolling stock for high-speed railways.

Proving the position on the fourth group of offers, businessmen consider that gradual transition to rolling stock updating only thanks to acquisition of new railway technics mainly by domestic enterprises will allow considering much more questions of strategic development of railway transportation.

Fifthly, the preservation of volume of purchases of new passenger cars of locomotive draft in the course of the reorganization of JSC The Russian Railway and the creation of an independent state company on transportation of passengers in distant following by forming the separate line in the state budget of the Russian

Federation by the Ministry of Finance.

The fifth group of offers focuses attention to that fact that the separation of unprofitable passenger transportations in distant following in independent jointstock company without the mechanism of formation of the budget with attraction of federal grants is essential risk which can lead to reduction of volume of solvent demand for production of railway mechanical engineering. Now the state has to finance passenger transportations at the expense of incomes from freight traffic under the scheme of cross subsidizing and readdressing. According to the author, the businessmen' offers to the Ministry of Finance of the Russian Federation on inclusion of expenses on financing of the transportation company by separate line in the state budget for minimization of risks looks are grounded.

Sixthly, formation of the competitive environment in the field of rail transportation and maintenance service of a rolling stock by maintenance of not discrimination conditions of access to the railway infrastructure for the independent companies transporting passengers in the distant following; assistance in the creation of an alternative network of the centers of maintenance service and rolling stock repair.

Within the limits of the sixth group of requirements businessmen formulate the interest in creation of the competitive environment in the field of rail transportation, maintenance service and rolling stock repairs. The legislation regulating reform of railway transportation, provides competition development in the specified spheres. [6] However, in practice there are difficulties with the real achievement of the problems declared in statutory acts. In this connection there is a requirement for realization of public control over reform of the railway transportation by involving non-governmental organizations.

Seventhly, maintenance of development of profile and fundamental science and preparation of the qualified profile shots for the enterprises of railway mechanical engineering by assistance to the Ministry of Education and Science in working out and acceptance of corresponding bills.

The seventh group of offers is an example of performances of businessmen of railway mechanical engineering on the questions of science and education. From their analysis it becomes clear that a sensitive lack for railway mechanical engineering is the inefficient state policy

in the field of development profile and fundamental science and preparation of qualified personnel.

The estimation of businessmen' proposals of the Russian machine-building industry aimed at the perfection of the state industrial policy at federal level has been above spent. But in practice the concrete businessman faces conditions and requirements of an industrial policy as well at regional level.

3. Regional aspects

As a result of the structural reform of railway transportation, independent companies for suburban routes with active participation of regions will be created. In particular, the share of the Tver region in an authorized capital stock of the suburban passenger company on a direction Tver-Moscow is planned at level of not less blocking share holding. [7]

According to it represents a great interest studying of concrete interests on protection of the businessmen' position of railway mechanical engineering before regional bodies which look as follows: assistance to the choice of railway mechanical engineering as one of the priority directions of development of the industry and to realize measures provided by the legislation on its support in regions where functioning and potential enterprises of CJSC Transmashholding locate; assistance to working out of socially significant programs of complex development of regional transport systems providing the purchase of rolling stocks for city and suburban routs; maintenance of not discrimination conditions of the use of railway infrastructure for the independent companies transporting suburban passengers.

Presence of disagreements between the businessmen of railway mechanical engineering and state demands the mechanisms of interest coordination for working out optimum, from the point of view of society, the industrial policy in the railway mechanical engineering.

4. Accommodation of Interests between the Government and Business

Now there are no political mechanisms of the interest coordination of businessmen and the state in the course of formation and realization of an industrial policy at the federal level in the Russian Federation. However, for working out of an effective and complex industrial policy according to domestic pre-revolutionary

and international experience the major role should play unions and associations of businessmen. Therefore, the part of state functions should be transferred to civil society institutions. [8]

Now it is necessary to delegate some responsibility from the state to public organizations of businessmen in the field of certification, standardization and delivery of licenses that is important for working out of an effective state policy in the market of repair and maintenance of rolling stock. The Chamber of Commerce and Industry of the Russian Federation (further – RF CCI) and the Russian Union of Industrialists and Entrepreneurs – (further – RSPP) can be example of such organizations. [9], [10]

If there are no mechanisms of the coordination of interests at the federal level, legislatively fixed mechanisms take place in a number of regions where functioning and potential enterprises of passenger railway mechanical engineering are located - the Tver, Voronezh, Chelyabinsk and Samara regions, Moscow and St.-Petersburg.

We will consider the participation of businessmen (subjects of industrial activity, subjects of an industrial policy or subjects of the industry) in functioning of these mechanisms in following directions: powers of public authorities and local government and the right of businessmen on the formation and realization of an industrial policy; and also functions on realization of powers of public authorities, local government and the rights of businessmen in the course of formation and realization of an industrial policy.

The list of public authorities, local government and the subjects of industrial activity having according to the legislation of subjects of the Russian Federation powers and the rights in the sphere of an industrial policy, is distinguished in each subject of the Russian Federation which legislation is investigated in the given work.

In the Voronezh region the list looks as follows: public authorities (the Voronezh regional Duma, the Voronezh regional administration), local governments, subjects of industrial activity, public associations, labor collectives and citizens. [11]

In the Samara region the list includes the Samara Provincial Duma and enforcement authorities. [12] In the Chelyabinsk area Legislative Assembly, the area Government, local governments, subjects of the industry, the noncommercial organizations and citizens. [13] In Moscow and the Tver region powers of public authorities and local government are described only, the rights of subjects of industrial activity aren't registered. [14], [15]

The optimum coordination of interests of the state and businessmen might be only under condition of active participation in this process of all interested parties: public authorities, local governments, subjects of industrial activity, public associations, labor collectives and citizens. However, in Samara, the Tver region and in Moscow legislative fastening of the rights of subjects of an industrial policy is not present that essentially limits the practical realization of the coordination of interests of the state and businessmen of railway mechanical engineering.

We will consider the maintenance of powers of public authorities, local government and subjects of industrial activity in working out and realization of an industrial policy on each of regions that will give the chance in details to estimate possibilities of the coordination of interests in each subject of the Russian Federation.

The above-stated powers and the rights provided by articles of the law on industrial activity in the Voronezh region, unlike the legislation of other areas, are detailed, concrete and address and are most evident for an estimation of possibilities of the coordination of interests in sphere of an industrial policy.

The Powers of the Voronezh regional Duma consist in the statement of the Concept of development of industrial activity and the program of development of the industry, the hearing of reports on a course of their realization, the establishment to subjects of industrial activity of privileges under the taxes and tax collections enlisted in the regional budget. [11]

The administration of the Voronezh region develops the Concept and programs of development of the industry in the Voronezh region and carries out control over the target use of the means of the regional budget allocated for financing of programs of the state support by subjects of industrial activity.

Local governments coordinate programs and the plans, concerning developments of subjects of the industrial activity which functioning infringes on their interests regarding influence of the enterprises on social and economic and ecological conditions; develop offers on development of the industry and

represent them to administration of the Voronezh region; participate in working out and realization of the Concept of development of industrial activity and programs of development of the industry of area.

Subjects of industrial activity can participate in working out of the Concept of development of industrial activity, formation and realization of programs of development of the industry of the Voronezh region; to receive in the administration of Voronezh region and local governments the information on the course of working out and realization of programs of development of the industry of the Voronezh region, about possibilities and conditions of granting of the state and municipal support; to bring in administration of the Voronezh region and local governments proposals on the formation and realization of an industrial policy in territory of area, a city and the Voronezh region as a whole; to address in administration of the Voronezh region and local governments for support of the activity with a substantiation of expediency of application of those or other measures of the state (municipal) support.

Nevertheless, the right of participation of subjects of industrial activity declared in the law in working out of Concepts, formation and realization of programs of development of the industry has declarative character as the law does not assume realization of this right. Therefore, the full coordination of interests of the state and businessmen is not possible, and working out of the weighed industrial policy of the state in the Voronezh region is complicated.

We will compare functions of public authorities and subjects of industrial activity in the course of working out and realization of the Concept of development of industrial activity and programs of development of the industry on which it is necessary to carry out the coordination of interests.

The analysis of functions shows that a little effective coordination of interests in the Voronezh region at the formation and realization of an industrial policy can not take place, as the mechanism of comprehensible attraction of subjects to working out of the Concept of development of industrial activity and programs of development of the industry is not registered. The tenor of the Concept and programs are extremely important for businessmen that could become a subject of the coordination of interests. How-

ever, the rights of businessmen provided by the law do not provide mechanisms and procedures of realization of this participation.

We will consider powers of public authorities, local government and subjects in the sphere of an industrial policy of the Chelyabinsk area. The Legislative Assembly accepts programs in the sphere of an industrial policy. The region government forms and realizes Concepts, is engaged in working out and realization of programs; carries out measures of the state support of subjects of the industry of the Chelyabinsk area and organizes works on formation and execution of the state procurement for regional state needs. [13]

Local governments participate in the Concept formation, working out and realization of programs; receive in enforcement authorities of the Chelyabinsk area the information on the course of formation and the Concept realization, working out and realization of programs, about possibilities and conditions of reception of the state support by subjects of the industry; granting of own measures of support of subjects of the industry.

Subjects of industrial activity can make proposals in the public authorities of region on working out and realization of an industrial policy; make proposals in the enforcement authorities of region on the Concept formation, working out and realization of programs; to receive in the enforcement authorities of the Chelyabinsk region the information on the course of formation of Concept, working out and realization of programs, about conditions of reception of the state support; to address in the Government of region for support of the activity with a substantiation of expediency of application of those or other measures of the state support.

Thus, the obligatory account of businessmen' proposals legislatively is not registered at the formation and realization of an industrial policy, therefore, it is impossible to speak about the coordination of interests.

We will compare functions of public authorities, local government and subjects of industrial activity in formation and realization of an industrial policy. Functions of public authorities consist in working out and realization the Concept of an industrial policy which is formed and affirms the Government of region for the term of not less than four years and contains: the list of priority directions of development of industries; criteria of the choice of priorities for the state support

of the industry; the list of measures of the state support of subjects of the industry; criteria of the estimation of efficiency of concrete measures of the state support. Subjects of industrial activity are only involved in the formation of the Concept of an industrial policy.

Thus, in the Chelyabinsk area the participation of businessmen in the most important, in the coordination of the Concept of an industrial policy, is not provided.

The law «About bases of an industrial policy of the Tver region» № 153-OZ-2 from 28.06.01 does not formulate the power of public authorities and the right of businessmen during working out and realization of an industrial policy. It as follows formulates functions of public authorities, local government and subjects of industrial activity in the course of formation and realization of an industrial policy. The Legislative Assembly confirms the Concept of an industrial policy of the Tver region which contains: the primary goals and principles of formation of an industrial policy; criteria of the choice of priorities for the state support of subjects of industrial activity; priority directions of development of the industry of area; criteria of efficiency of concrete measures of the state support of subjects of industrial activity; directions on creation of conditions of the maximum employment of the population; ways of rational use of natural resources of region. [15]

The administration of the region is engaged in working out of the Concept for the term up to five years and acceptance of programs of development of the industry, containing concrete actions for realization of the concept of an industrial policy; terms of their carrying out; data on executors and participants, the mechanism of their interaction; financing sources; the mechanism of control over execution of programs; criteria of an estimation of their efficiency.

Local governments participate in Concept working out. Functions of subjects of industrial activity consist in the coordination of the Concept of an industrial policy and working out of programs of development of the industry.

The concept of an industrial policy affirms Legislative Assembly only after the coordination with the interested organizations and subjects of industrial activity. However the coordination mechanism isn't registered, and, therefore, has declarative character.

5. Conclusion

Unlike the aircraft engineering and automotive industry and the majority of other machine-building industries suffering a lack of orders and strong foreign competition, the Russian railway machine-building industry has a good potential. The CJSC Transmashholding is the largest company on the railway machine-building market.

According to the Concept of development of Incorporated Car-building Company Trasmashholding, businessmen of railway mechanical engineering have several proposals aimed at the perfection of the state industrial policy at the federal level and tree at the regional one.

Unfortunately, currently within the Russian Federation, there are no effective political mechanisms of coordination of interests between the state and businessmen designing industrial policy at the federal level.

At the regional level among the six regions of the Russian Federation where the basic enterprises of passenger car building and suppliers of accessories are placed, only in the Tver, Voronezh and Chelyabinsk regions the participation of businessmen in working out and realization of an industrial policy is provided.

However, the participation of businessmen in the working out and realization of an industrial policy in the Chelyabinsk region is limited only to gaining information on the working out and realization of a policy and making p roposals. In the Voronezh region it is limited to the attraction of subjects of industrial activity towards the formation of an industrial policy. Though in the Tver region the coordination of the concept of an industrial policy by businessmen is provided, the mechanism for its practical realization is not provided by regulatory documents.

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