

DEVELOPMENT OF THE GREATER TUMEN INITIATIVE – (GTI) AS ONE OF THE INSTITUTIONS OF INFLUENCE ON THE REGION'S ECONOMY

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Abstract. The subject of the study is the study of the development institutions of the Greater Tumen Initiative in relation to their impact on the economy of the region. The urgency of this problem is connected with the fact that the creation of special economic zones, including industrial parks, has a special positive connection with economic development and the ability of regions to attract foreign direct investment. The countries of Northeast Asia offer the advantages of high economic complementarity, trust-based relations underlying economic cooperation, and the experience of industrial clustering in the form of various entities that optimize the economic structure, revitalize trade, stimulate investment and strengthen business ties. It is for such purposes that the Greater Tumen Initiative was created, which today acts as one of the sources of economic development of the region.

Based on the analysis of the interaction of the countries participating in the initiative, priority areas of interaction of the Greater Tumen Initiative were identified: simplification of cross-border trade; development of the transport infrastructure system, tourist destinations; improvement of the logistics and transport system in the region; deepening of scientific and technical cooperation; solving environmental problems of the territory; involvement of the territories of the Greater Tumen Initiative in the global economy. The importance of the Greater Tumen Initiative as the only international platform for coordinating the actions of the countries of the region is substantiated.

Keywords: international cooperation, Greater Tumen Initiative, Northeast Asia, international trade, investment, coordination of regional strategy, integration, international platform, special economic zone, GTI.

A quarter of a century has passed since the intergovernmental agreement on the organization of an advisory body within the framework of the UN program for the creation and improvement of mechanisms for technical and economic cooperation for the development of

territories adjacent to the basin of the Tumen River was signed in 1995. Later, in 2005, it was this agreement that served as the basis for the creation of an international cooperation body on its basis, known as the " Greater Tumen Initiative " (GTI). Its participants were Russia, China, both Koreas (North and South) and Mongolia [1].

However, later, on 05.05.2009, the North Korea stopped its cooperation with the GTI due to the adoption by the UN Security Council of a resolution violating its sovereignty. But Japan has joined the RTI, so far, in the status of an "observer" [4].

From a geographical point of view, the economic district of the Tumen River basin covers part of the territory of the Russian Primorye (the port cities of Vladivostok, Zarubino, Vostochny and Nakhodka), the Rason trade and economic agglomeration in the DPRK, the eastern part of Mongolia, several provinces of the PRC, as well as ports in South Korea (Sokcho, Pulsan, etc.).

According to the decree of the Government of the Russian Federation No. 1245-r of 25.08.2008, Russia takes an active part in the activities of the GTI.

Gradually, the GTI acquired the status of a universal organization for international economic cooperation and an effective intergovernmental mechanism for regional economic cooperation in Northeast Asia. The main goal of the GTI is to promote the growth of the attractiveness of the mainland of the North-East of the Asian continent for investment, trade organization and business development in the interests of balanced progressive development of these territories [2, 5].

Russia participates in the work of the GTI in all areas, paying attention to the promotion and implementation of large-scale research and infrastructure projects, and the development of the potential for international cooperation. At the same time, it should be noted that the share of Russia in the structure of the country's trade turnover of GTI has decreased since 1996 (Fig. 1)

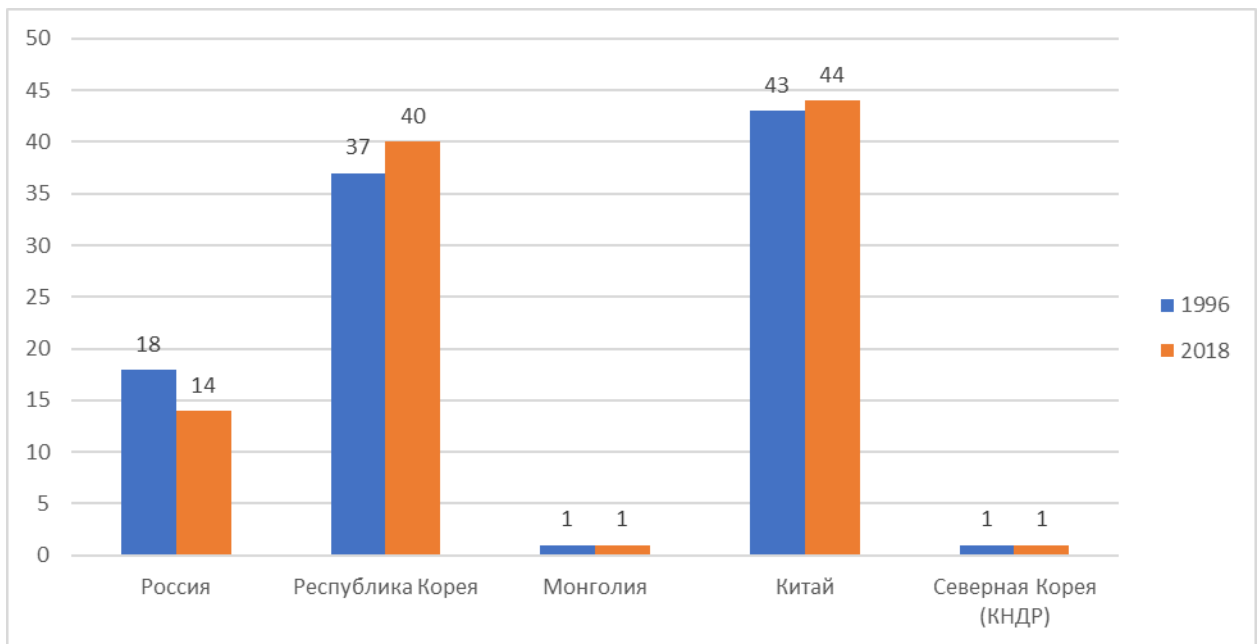


Figure 1-Structure of the GTI country trade turnover [6]

As we can see, the share of Russia decreased by 4 % and amounted to 14%, the share of China increased by 1% (44%), and the share of the Republic of Korea by 3% (40%). Since Russia proceeds from the long-term interests of both the development of its own Far East and the acceleration of integration processes in the Asia-Pacific region as a whole, it is necessary to improve the coordination of various processes when organizing the Association of Foreign Trade Banks of countries located in Northeast Asia. That is, the GTI should contribute to the expansion and deepening of negotiations on the further transformation of the initiative into a full-fledged international economic association of the countries of Northeast Asia (NEA).

GTI now

Currently, the GTI is positioned as a convenient platform for the participating countries, significantly facilitating the processes of interaction on economic development, interstate cooperation, etc. The GTI declares a steady growth of international cooperation in the region, which contributes to the economic well-being and progressive development of all participating states, as well as improving regional stability and relations between these countries [8].

On October 11, 2019, the next, 9th meeting of the Transport Council under the GTI was held, which was mainly devoted to the implementation of large-scale projects for the development of transport infrastructure, the implementation of which was provided for by the GTI Medium-term Plan for the Development of logistics until 2019, and the preparation of a similar plan for the next time period. A number of project initiatives proposed for the implementation of the GTI during 2020 were also considered.

The participants of the discussion agreed on the need to deepen regional cooperation through strengthening cooperation and improving the system of coordination of actions for the development of logistics infrastructure.

The next time the Transport Council at the GTI was supposed to meet in Seoul. The meeting was scheduled for September 2020. But because of the epidemiological situation. On September 23, the online conference Political Dialogue of the GTI on Industrial Parks was held, chaired by the Director of the GTI secretariat, Andrey Smorodin [3].

In the course of the study, priority areas of interaction in the GTI were identified [7, 9, 12]

- * Simplification of the process of cross-border trade.
- * Creation and comprehensive development of transport infrastructure facilities and systems, tourist destinations, etc., mainly through active investment attraction.
- * Improving the logistics and transport system in the region, including international transit.
- * Deepening of scientific and technical cooperation and contacts at the regional level.
- * Active involvement of the GTI territories in the global economy at the level of the Asia-Pacific region.
- * Environmental issues.
- * Conducting various studies aimed at improving and improving competence in the fields of energy, transport logistics, tourism, environmental protection, removing excessive trade barriers, etc.

In our country, the Ministry of Economic Development is responsible for coordinating the work of domestic departments and federal bodies on Russia's participation in the activities of the GTI (according to the decree of the Government of the Russian Federation No. 732 of 17. 06. 95). In addition, the Ministry of Foreign Affairs actively interacts with the GTI.

Achievements, problems, prospects

Over the past quarter of a century, the countries participating in the GTI have made significant progress on the path of intergovernmental cooperation aimed at mutually beneficial development of cross-border trade, tourism, and improvement of the transport system. There are plans to transform the GTI into a full-fledged independent international organization. Many different projects are being implemented within the framework and with the support of the GTI, but a number of problems that significantly reduce the effectiveness and limit the potential of this mechanism of international cooperation have not yet been solved [10].

First of all, this is the problem of the North Korea is non-participation in the work of the GTI and the limited membership of Japan, which is still content with the observer status. Japan played a very important role in the creation of the GTI concept and its full implementation in the future is very beneficial to Tokyo, since it will provide Japan with a diversification of sources of energy and electricity, reduce transport costs, etc. However, Japan itself has not yet come to a unified position on cooperation with the NEA. At the same time, the GTI is actively promoted by the Japanese scientific circles and the political forces of the maritime prefectures, but at the same time, Tokyo does not show readiness to recognize the GTI as an all-Japanese initiative. In addition, the insufficiently high level of priority of this mechanism for the Governments of all participating countries has a consequence of the low effectiveness of the GTI and does not yet allow it to be transformed into a full-fledged and self-sufficient international organization. And the third problem is the lack of efficiency in coordinating the interests of all participating countries, for example, in the areas of transport logistics. For Russia, the most priority projects are related to the transit of foreign cargo through the ports of our Far East. The PRC considers the most important direction to be the improvement of transport logistics from its north-eastern part and is actively modernizing the transport infrastructure. A railway line to the Russian border and a highway to the border of the North Korea have already been laid. Thus, despite the obvious similarity of regional projects of different countries, there is no complete agreement on their harmonization yet. In addition, the development of the region requires solving a number of problems in the field of ecology. A significant part of these territories are rather fragile ecosystems of wetland landscapes, and some GTI districts are unique natural objects and are protected by law as nature reserves. For example, there is such a reserve in the Khasansky district (Russian Federation, Primorsky Krai) [11].

Nevertheless, the work of the GTI helps to form equal partnership relations between the governments and businesses of all participating countries. The solution of the urgent problem of incomplete entry of Japan, the accession of the North Korea, increasing the priority for the governments of the participating countries, more energetic actions to protect nature in the region can help to increase the effectiveness of the GTI. And this will contribute to the achievement of economic well-being and sustainable progressive development of the territories, as well as the growth of the contribution of the GTI to these processes, and, consequently, the status of this association. The contribution of the GTI to ensuring the political stability of the NEA region is also important.

The COVID-19 outbreak has put all aspects of our lives at risk. In particular, this affected the global economy, including the global value chain (GVC) and the trading system. Industrial parks play a catalytic role in economic development, providing a healthy business environment and policy. In the face of uncertainty, the concept of industrial parks can become a tool for responding to the challenges of COVID-19, strengthening the value chain in Northeast Asia.

Despite the existing difficulties, the Russian Foreign Ministry will continue to provide political support to almost all GTI humanitarian initiatives, but the real work coordinated by the Ministry of Economic Development continues to be hindered due to the lack of material resources, which is due to the general crisis of the world economy and the consequences of the coronavirus pandemic (which has not yet ended).

It should be noted that the Tumen project in any form has not lost and will remain relevant for a long time and will largely serve as a determining factor in the economic and partly political international relations of the NEA countries. Its importance for regional cooperation is as great as it was a quarter of a century ago.

Its effectiveness is hindered by the desire of countries to realize their own (each) interests to the detriment of their partners, and in addition, the stereotypical perception by the leadership of the participants of this region as far from the center of the periphery, bordering on the same remote provinces of other countries. And in such a situation, the importance of the GTI as the only international platform for coordinating the actions of the countries of the region, especially in the regions of the Tumen Triangle, is very great.

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