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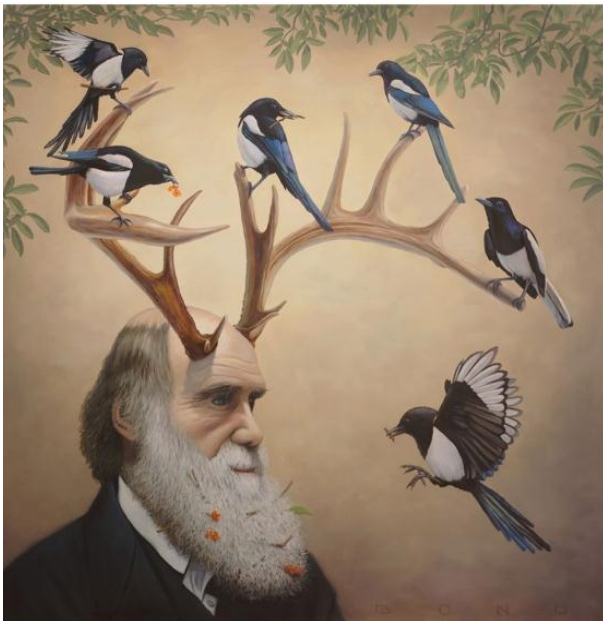
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Theoretical aspects of export development promotion by the state

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Abstract

This paper discusses the condition and problems of state incentives for export development via comparative qualitative research methods. As a result, export promotion is one of the most important policies of the world's countries. For this purpose, various methods are used aimed at supporting businessmen abroad and promoting their goods on world markets. In conclusion, state support for export activities and export-oriented industries is one of the priority goals of national and economic policies and components of the development of the national economy.

Keywords: Export, Crediting, International, Foreign, Economic.

Aspectos teóricos de la promoción del desarrollo de las exportaciones por parte del Estado

Resumen

Este documento analiza la condición y los problemas de los incentivos estatales para el desarrollo de las exportaciones a través de métodos comparativos de investigación cualitativa. Como resultado, la

promoción de exportaciones es una de las políticas más importantes de los países del mundo. Para este propósito, se utilizan varios métodos destinados a apoyar a los empresarios en el extranjero y promover sus productos en los mercados mundiales. En conclusión, el apoyo estatal a las actividades de exportación y las industrias orientadas a la exportación es uno de los objetivos prioritarios de las políticas y componentes nacionales y económicos del desarrollo de la economía nacional.

Palabras clave: Exportación, Acreditación, Internacional, Extranjera, Económica.

1. INTRODUCTION

In modern conditions, export promotion is an important direction of the trade policy of many developed countries. In recent years, this also applies to the developing countries in which a developed system of state support and promotion of national exports has been established, which has proved its effectiveness over the years of its existence. Along with the creation of a favourable macroeconomic climate for exporters, special measures are widely used to develop export production and expand exports. Stimulating exports means pursuing an offensive trade policy in world markets and is in itself a topic relevant to study. The state is strategically interested in providing support to exporters of products having a high degree of processing, as this strengthens its international competitive positions, which provides increased financial stability, reduces unemployment, and increases incomes of workers and budget volumes at all levels.

Export promotion is closely related to import and industrial policies, which is manifested in the promotion of not only the export itself but also export production. Trade policy measures contribute to the development of national production. The policy of export promotion, as a rule, is only a phase of trade policy in certain socio-economic and political conditions. In practice, countries use different strategies concerning government promotion of their exports. This largely depends on the state of the country's economy, its stage of development, and also the general economic and political situation in the world (KHADEMOSHARIE, TADIBI, BEHPOOR & HAMEDINIA, 2018).

Many countries were forced to resort to strict import restrictions for the development of their exports (for example, South Korea in the 1980s). On the contrary, export-oriented states (Taiwan, Thailand, and Malaysia) practically did not intervene in export issues. Market reforms have a mixed impact on state export policy. Countries with inconsistent market transformations are at risk to slow the development of their export production and exports for a long time. The effectiveness of their incentives depends on how correctly they have identified the industries and productions that are promising for export. Administrative errors in this area have resulted in significant losses for some countries (failures with large export projects in South Korea, Thailand, Singapore, Malaysia, Indonesia, and Brazil). In turn, the reform of the export sector can be quite effective if the national economy is on the rise. At the same time, in such countries, the export production structure is updated rather slowly (JARAMILLO, 2018)

2. METHODS

The main means and methods of export promotion include insurance; state subsidies; importation and exportation of capital assets; government support for exporters and export base; export base development policy; preparation and education of personnel for foreign trade activities.

Also, there are three main elements of export promotion:

1. Support using trade and political measures.

2. Stimulating export production in the form of tax breaks, subsidies, guaranteeing private investments, soft loans, providing grants, supporting the export infrastructure, encouraging foreign direct investment, subsidizing research and development, creating free economic zones.

3. Direct export support: export crediting, trade insurance and investment against economic and political risks, tax and customs: privileges, participation in the authorized capital of firms established abroad, information and consulting assistance, promotion of the exhibition and fair activities of national firms abroad, special facilitation measures.

Methods and mechanisms for stimulating national exporters were first created and evolved in developed countries. These methods

are diverse, they cover different aspects of the economic and financial sectors of the economy, the ratio of the numerous elements of their systems is quite mobile, and this gives flexibility to the whole systems. This flexibility varies depending on the economic situation of the state and its role in foreign markets, as well as on the state of world markets, on the increasing influence of international organizations that determine and regulate international trade and competition. The evolution of the state exports stimulation system covers a significant time and allows us to single out several stages.

The first stage dates back to the 1950s, the post-war period, and at this stage, incentive methods were limited mainly to the regulation of sales prices by various means. In the next decade, at the second stage of its development, efforts to create a long-term interest among manufacturers in exporting their products and developing foreign markets prevailed. At the third stage - in the 70-80s of XX century - the governments of various countries have seen their main task in stimulating the creation and strengthening the competitiveness of the export base, primarily in the engineering industry. A special feature of the modern export development and promotion stage is their complex nature: the sale of goods and their unimpeded promotion to foreign markets, the development of new types of goods and their export production, the provision of new types of international services are being carried out at the same time.

It is advisable to consider the European experience of stimulating export production using the example of countries that have

significant successes in the development of foreign trade, in particular, France. The economic policies pursued by Western European countries to stimulate export production and export development have in many respects similar foundations related to the integration of countries into a single European economy (GUNDOGMUS, 2018)

In the field of preferential export crediting, France adheres to the provisions of an international agreement on the basic conditions for granting export credits. Export credit insurance is provided by a private French foreign trade insurance company, using both its own and public resources. In the latter case, the decision on granting loans is taken by the Department for Foreign Economic Relations of the Ministry of Economy, Finance and Industry based on the findings of the interministerial commission on guaranteeing foreign trade loans, as well as the Foreign Trade Insurance Company. When ensuring loans against commercial risks, up to 85% of such losses are reimbursed, and this concerns 90% political losses. The maturities of medium and long-term loans range from 2 to 10 years. The granting of preferential terms in export financing is carried out by the state using public funds and private export credits (LUO, LI, PENG & FAN, 2018).

In general, the French export credit and insurance system cover more than a third of national exports. As a result, the created favourable system for stimulating export activities has allowed France to double the share of its commodity exports in the country's GDP over the past thirty years, which is comparable to that of other leading

European countries. Today, the main mechanisms for the promotion of steel exports are subsidizing, lending and insurance of export-import transactions, tax incentives, stimulating the import and export of capital, the active participation of the state in the development, production and marketing of goods, long-term investment in export production (MIKULSKOY, 2016).

Thus, a multilateral improvement of export promotion methods is currently taking place in the world trade. It is connected, first of all, with new trends in the development of world trade — a significant increase in the volume of services, the organization of new forms of export production, an increase in the number and expansion of the boundaries of free economic zones, and involving of small and medium enterprises in the external economic sphere. SIDOROV (2015) Almost all countries regulate and stimulate foreign economic activity (FEA) at the meso- and macro levels. Export support is a whole system of interconnected non-governmental and governmental institutions, which include specialized agencies, financial institutions, centres of expertise, line ministries, etc.

3. RESULT

International experience in foreign economic activity indicates that work is underway in several main areas.

A) In many countries, the promotion of exports is carried out in a developed form. In developed and developing countries, state support is at a fairly high level. As expected before the start of the study, export companies in the United States receive the most state support. The main focus of assistance to US businesses abroad is to create a positive institutional environment for the implementation of commercial projects.

In 1962, the Trade Aid Corporation was created in South Korea; it provided institutional support for imports and trade. Also, the Export Day was established to stimulate the most successful exporters which were awarded medals and received national recognition.

In Great Britain, there are practically no ministries that were not connected in any way with foreign economic activity. British diplomatic missions play an important role in foreign economic cooperation. They are composed of representatives of various structures that serve as trading advisors. With all this, the British exporting firms are provided with financial, as well as organizational assistance in the exhibition.

In Japan, the support system is extensive, covering many areas, such as analysing and gathering marketing information, advertising and exhibition events, attracting new participants to foreign economic activity, etc. The organizer of foreign economic relations is the state

which finances all the measures from the budget mentioned above (SUKHAREV, 2010).

It should be noted that in the 19th century the Russian government coordinated its foreign economic policy with the public, business and industry; however, this experience was lost in the 20th century. Now, the Government of the Russian Federation is attempting to align its policies with the interests of the business, however, this does not give the desired result.

B) Information support is provided by the release of various directories, bulletins, and also various leaflets. For example, in the US, a guide is issued for businessmen on assistance to federal exporters. They provide a variety of information aimed at supporting exporters, the types of assistance offered, as well as how to obtain it. Trade missions from North America that promote products in certain regions will certainly open their representative offices in them. When any US company enters the market of another country, it receives a package of free services (NEFEDOV, 2003).

Since 1962 in Japan there is a structure for the collection of economic information from abroad. It operates under the auspices of the Institute of Industrial Protectionism. The ministries of foreign affairs, industry and foreign trade are engaged in the collection and analysis of commercial information.

In France, the Ministry of Finance plays a major role in coordinating efforts to process and collect foreign economic information. Hidden methods of extracting information using industrial intelligence are used when private structures have difficulty in accessing information. A very important role in expanding the information base is played by various Internet resources. All organizations developing foreign economic relations have their websites. 80% of work on evaluation and search for investment projects in the modern world is carried out with the help of Internet sites.

In Russia, the base for foreign economic activity also includes a large number of Internet resources. For example, the site Export opportunities of Russia, the sites of chambers of commerce and industry of the Russian Federation, sites of customs issues. But to talk about effective information support in the Russian Federation is too early. The main disadvantages of it are the general paucity of information on these resources and the lack of real support for entrepreneurs.

C) Recently, the tendency towards regionalization of foreign trade has become more and more apparent. Take the example of Flanders, one of the most developed regions of Belgium. The Flemish Export Agency has a website with versions of different languages and is a guide to the list of Flemish goods and services. Representative offices of Flanders are located in more than 50 countries of the world. Russia also has representative offices of Flanders operating in Nizhny

Novgorod, Moscow and St. Petersburg. Some Russian regions also have websites or pages on the Internet, but practice shows that the information on them is rarely updated and does not always correspond to reality (FRADKOV, 2003).

D) In various countries, various structures and bodies deal with financing and insurance. For example, in the United States, there is a State Export-Import Bank for this purpose, an administration for small business support, and other organizations. In Japan, this function is performed by Exim bank; the country has an unparalleled system of tax incentives, oriented both to imports and to exports. The diversified insurance system protects the interests of national operators from risks.

The system includes trade insurance, loans, investments (ORLOV, 2010). In India, special banks are involved in the financing and insurance of foreign economic activity. The leading one is EIB (Export-Import Bank), it also simultaneously serves as the coordinator of all other financial institutions in this area. The bank has branches in Madras, Washington, Delhi, Calcutta, and its headquarters is located in Bombay. One of the main tasks is lending to exporters, providing them with various opportunities for successful development (SIDOROV, 2000).

E) For Russia, one of the important areas of foreign economic activity is the establishment of contacts with the CIS countries. It may be advisable to consider the US experience with these countries. In

1992, a BISNIS department was created, which served as assistance and advice to American companies that decided to start a business in Russia or the CIS. The main purpose of this department was to promote the export of American goods. The BISNIS offered the following programs: search for a supplier, partner, and offers from the USA. Sometimes, individual American states themselves created departments for the development of relations with the CIS, such as in Texas. Although most of the goods from this state are sent to Mexico and Canada, recently, a large number of companies are studying business proposals from the CIS.

Also of interest are US relations with the CIS countries in the agricultural sector. In some of these countries, there are offices of the US Department of Agriculture, which goal is to support American agricultural exports. These offices mainly work in several areas:

- 1) Analysis of the state of agricultural markets in the CIS countries;
- 2) Internship in the USA on the KOXPAN program;
- 3) Trade missions;
- 4) Marketing companies;
- 5) Consultation of sectorial and governmental organizations, and business circles.

Consultants working in departments and ministries which promote the rights and interests of US companies are involved to

promote governmental interests within the framework of a technical assistance program.

Also, an important tool to promote foreign economic activity is an administrative resource. It is implemented by the joint participation of public and private organizations in the implementation and preparation of joint operations. This participation consists in granting privileged access to some participants, taking into account the agreements concluded earlier within the framework of cooperation between them. Based on such agreements, programs are being implemented for the development of the nuclear power industry and nuclear engineering, aircraft building, rocket production, and others in the countries of the European Union. There is a direction to create a positive background for the development and implementation of certain types of cooperation. So, for example: Peaceful Sky for Africa contributes to the large-scale supply of American equipment and technology to African markets.

In case of emergency, the methods of diplomatic support are also applied by the US State Department concerning American projects abroad. Support covers the creation of favourable market conditions, as well as the adoption of certain decisions in favour of American businessmen. This is done through conversations and correspondence with senior representatives of the host country.

Other forms of support and stimulation of foreign trade activities are also widely used; they particularly include issues relating

to the transportation of goods. Most of the countries with access to the sea try to assist international transport companies in obtaining contracts for the transportation of goods: this ensures the receipt of additional resources on foreign markets. These resources are then used for various payments and benefits intended to maintain the competitive rates of national shipping companies.

4. SUMMARY

It should be noted that export promotion is one of the most important policies of the world's countries. For this purpose, various methods are used aimed at supporting businessmen abroad and promoting their goods on world markets. Among these measures, it is possible to mention the complete and unimpeded return of value-added tax to exporters, the modernization of the technical base, the raising of funds for the development of promising industries, the use of a quota system, the development of norms and standards for goods in accordance with world requirements, the creation of export support mechanisms (lending, insurance supplies, social and infrastructure base, subsidies, and research support).

5. CONCLUSION

Thus, state support for export activities and export-oriented industries is one of the priority goals of national and economic

policies and components of the development of the national economy. This achieves a large economic effect from state participation in the international division of labour. Favourable conditions for the activities of Russian exporting firms in foreign markets will be created as a result of the formation of a modern export support system based on comprehensive studies of potential markets for Russian industrial products and the use of measures to promote goods and services. Also, it is necessary to apply lobbying for the interests of Russian exporters at the political level to develop foreign markets.

It should ensure the provision of a range of services to exporting firms by allocating a fixed share of funds for export support in the federal budget expenditures and be coordinated by one federal authorized executive body, including the state export-import bank with an authorized capital which allows participating in the financing of international projects. The goal of such a body is to promote at the territorial level to the implementation of federal and regional authorities' policies for the development of export-oriented clusters with enterprises of competitive industries, to ensure active participation in promoting Russian products through the system of Russian overseas representative offices focused on maximizing the opportunities that will appear after Russia's accession to the WTO, as well as the whole range of instruments of state support for exporting enterprises, which are allowed by international trade rules.

One of the acute problems is the lack of state lobbying for the interests of exporting firms in promoting their products to world

markets. Without the support of the state and the activation of its policy in this area, many Russian exporters will not be able to successfully promote their products in foreign markets. In this regard, it is necessary to define the principles of political and diplomatic support for major trade and economic projects and transactions of Russian companies abroad, taking into account regional and country specifics, and create a system of interdepartmental coordination and distribution of responsibility of federal authorities.

In order to develop and improve state support for the export of products released by the processing industries, an action plan and specific tools should be prepared by the Ministry of Economic Development of Russia, together with the interested ministries and departments, and submitted to the Government of the Russian Federation to ensure the solution of the tasks listed below.

In terms of tax regulation, it is proposed to ensure the reimbursement of VAT within one tax period and the application of the zero percent VAT rate when exporting processed products produced in the customs territory.

In terms of customs regulation, customs procedures should be simplified and expedited for the export of goods, including the establishment of customs duties at a fixed amount.

In terms of lowering administrative barriers, it is proposed to simplify the export control procedure, including the transition to a

one-time examination of the goods and reducing its time, improving the description and identification of goods falling under the scope of export control, as well as developing internal audit (without compromising the effectiveness of export control).

In terms of improving state financial support for exports, the volume of funds allocated to facilitate exports should be increased, with the possible establishment of a fixed amount as a percentage of the expenditure side of the budget (up to 3%); various regions should be involved in the implementation of mechanisms for financial support of exports, including through co-financing projects; cooperation should be developed in the field of construction of facilities abroad and their supply of complete equipment; insurance legislation should be improved to ensure commercial and political risks.

In terms of ensuring interdepartmental coordination and interaction with enterprises, it is proposed to create a permanent working group with the direction of Promoting export activities within the Council on Competitiveness and Entrepreneurship under the Government of the Russian Federation.

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