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**COMPARATIVE ANALYSIS OF FREE  
ECONOMIC ZONES' MANAGEMENT**  
**СРАВНИТЕЛЬНЫЙ АНАЛИЗ УПРАВЛЕНИЯ  
СВОБОДНЫМИ ЭКОНОМИЧЕСКИМИ ЗОНАМИ**

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*Ключевые слова: свободные экономические зоны, инвестиции, инновации, международная торговля.*

*Abstract. This article presents the results of a study of the specifics of goal-setting, investment and management of free economic zones in countries with different levels of economic development, and defines models of FEZ management depending on the level of economic development of countries (private, public and mixed). Based on a study of the experience of different countries, it was found that different levels of economic development are characterized by their own forms and models of FEZ management; in countries with developed economies, zones are being replaced by innovative industrial clusters, which are currently associated with innovative development strategies; the priorities of FEZ activities are increasingly shifting towards innovation and high technology; regional FEZs retain their importance, allowing to overcome the lag in territorial development and coexist with innovative industrial clusters.*

*Аннотация. В данной статье представлены результаты исследования особенностей целеполагания, инвестирования и управления свободными экономическими зонами в странах с разным уровнем экономического развития, определены модели управления СЭЗ в зависимости от уровня экономического развития стран (частная, государственная и смешанная). На основе изучения опыта разных стран установлено, что разные уровни развития экономики характеризуются своими формами и моделями управления СЭЗ; в странах с развитой экономикой на смену зонам приходят инновационно-промышленные кластеры, с которыми в настоящее время связываются стратегии инновационного развития; приоритеты деятельности СЭЗ все больше смещаются в сторону инноваций и высоких технологий; региональные СЭЗ сохраняют свое значение, позволяя преодолевать отставание в развитии территорий и сосуществовать с инновационно-промышленными кластерами.*

**SECTION 2. SOCIAL AND ECONOMIC PROBLEMS OF EDUCATION AND SCIENCE DEVELOPMENT IN THE 21<sup>st</sup> CENTURY**

Free economic zones (FEZ) offer various incentives to attract foreign investors, contribute to job creation and economic growth, both directly and indirectly. They provide opportunities for skilled and unskilled labor, resulting in lower unemployment and improved living standards. Free zones also stimulate economic activity, resulting in increased demand for goods and services, which in turn creates more employment opportunities. In addition, free zones encourage innovation and entrepreneurship. They provide a favorable environment for startups to thrive with access to state-of-the-art infrastructure, low-cost resources, and a ready market. This leads to the creation of new products and services that promote economic diversification and long-term growth.

FEZs of different countries, shapes and scales have a common feature: they provide, within a certain perimeter, a regulatory regime for enterprises and investors that is different from what is usually applied in the broader national or subnational economy where they are created. The main value proposition of the FEZ is a package of tax and legislative advantages offered by a variety of economic zones, especially in developing countries.

Different levels of economic development are characterized by their own forms and models of FEZ management (Table 1).

Table 1 – Relationship of FEZ management forms and models with the level of development of national economies

The level of economic development	Forms	Investors	Management models
Developed countries	Logistics centers; innovative (technological) zones; service areas (finance)	Zones created by foreign developers or through joint ventures	Private model
With a transitional economy	Specialized zones; cross-border zones; service areas (business process outsourcing)	Zones created within the framework of public-private partnership	The state model
Developing countries	Multifunctional (multi-industry) zones; extensive areas; zones with a raw material base (aimed at the development of processing industries)	Zones created as part of partnership projects between Governments	Mixed model

FEZs operate in about 70 % of developed countries. Economic policy in developed countries is focused on equal business conditions, not on the creation of privileged areas.

Almost all zones are duty-free zones, and their importance (share) in the economy of the country of deployment is relatively small. In many developed countries, Governments are helping to create various forms of science and technology parks. In most European countries there are no free economic zones, only duty-free trade zones. However, in Bulgaria, Lithuania and Poland there are both duty-free zones and zones in which other tax benefits are offered.

In developed countries, the following forms of EZ creation prevail:

- logistics services for regional and international trade;
- innovative (technological) zones to stimulate R&D and the formation of ecosystems;
- financial flow service areas.

The rationale for creating logistics FEZs in developed countries is to reduce the distorting effect of tariffs and regulatory "costs" associated with imports. Exemption from duties and customs procedures is aimed at supporting complex cross-border supply chains.

In countries with developed economies, a private form of management of special economic zones prevails, in which developers from private companies are selected in a competitive process based on criteria established by law. They have broad operational autonomy and report to the regulatory authorities of the FEZ. In countries with economies in transition, a state form of government is common, where land plots and utilities are mainly owned by the state.

The government organizes the FEZ, the controlling body creates a state developer or a management administration. In emerging economies, a mixed form of governance is used, which is a combination of private and public models. It provides for the possibility of participation of developers from the public or private sector, who retain relatively broad autonomy in their functions.

Countries with economies in transition began to apply FEZ regimes in the 1990s. The pace of creation of new FEZs has accelerated since the second half of the 2000s, especially in the period 2015–2020, due to the creation of promising development territories in the Russian Federation as a response to the global crisis. FEZs in transition economies tend to focus on general production, although technologically oriented zones also play an important role in the Russian Federation. In addition, nine tourist zones are located in the Russian Federation.

The sectoral orientation of the FEZ often reflects the industrial traditions of the host countries and the availability of resources. Most FEZs are zones with several types of activities. In more advanced countries with economies in transition, specialized zones and innovation-oriented zones are playing an increasingly important role.

The activities of specialized zones are concentrated in a specific sector (services, resources) or industry to participate in global value chains; cross-border zones to stimulate regional cooperation and strengthen competitive advantages together with partner countries; business process service areas.

In developing countries, FEZ strategies are associated with the creation, diversification and modernization of industries through attracting foreign direct investment (FDI). Here are created:

- multifunctional (multi-industry) zones for industrial development and modernization of processing industries;
- extensive zones that are integrated with the territory of specific districts or administrative units to stimulate economic activity in backward or depressed regions;
- zones for attracting FDI within the framework of national assistance or cooperation, created in partnership between a country with an active policy of investing abroad and a low-income country.

Economic zones in developed countries are required to create an effective platform for complex cross-border supply chains, renew the country's innovative capabilities, and form a balanced economic development without sectoral distortions, taking into account the Sustainable Development Goals.

In countries with economies in transition, SEZs are set goals and objectives to stimulate the transition to a service economy, the development of new high-tech industries, the spread of technologies and externalities to traditional sectors of the economy and industry, integration within global value chains.

In developing countries, the creation of free economic zones is aimed at:

- supporting the modernization of industry;
- stimulating economic development and export diversification;
- creation of new jobs and support of high employment;
- approbation of economic reforms and improvement of the investment climate.

It should be noted that in countries with developed economies, zones are being replaced by innovation-industrial clusters, with which innovative development strategies are currently being linked. Multinational companies invest in aerospace clusters, the production of medical devices, electric and passenger cars, ICT, financial services, etc.

In some developed countries (Finland, Italy), SEZs have already given way to innovative and industrial clusters.

At the same time, the governments of developed countries in their economic policy are moving away from creating privileged areas that discriminate against firms based outside the zones, and prefer equal business conditions based on the principles of extraterritoriality and support for investment in regional development. This trend is well illustrated by the example of Poland. Poland's zones have succeeded in attracting investment and creating jobs. The advantage for investors was the exemption from corporate income tax.

As a member of the EU, Poland had to bring the preferential conditions offered to investors in the FEZ into line with the regulations of the common bloc. In 2018, the country adopted a law on the creation of the "Investment Zone of Poland". This new extraterritorial regime allowed investors to take advantage

of benefits already on the entire territory of Poland, that is, discrimination of regions was eliminated. The existing FEZ bodies have assumed the function of administering the new regime in their regions.

Polish FEZs still discriminate against a number of SMEs, since the receipt of business benefits addressed to FEZ residents depends on the size of investments. In this situation, most investment projects of small and medium-sized businesses cannot take advantage of preferences. The discriminatory nature of the FEZ was softened by the new Law on Investment Support, which lowered the criteria for receiving state support so that more SMEs could apply for it. In addition, the system has been adjusted so that investors in less developed regions can receive more generous state support.

The new criteria are based not only on quantitative indicators, but also take into account the sustainability and innovative aspects of projects.

In addition, neighboring countries such as the Czech Republic, Hungary and Slovakia offered income tax benefits to investors regardless of their location. Therefore, the zone system increased Poland's risks both as a destination for foreign direct investment and as a place for domestic investment in SMEs. Thus, changes in the preference regime have weakened discriminatory elements of Polish SEZ legislation in terms of geography and size of investments, paying more attention to external aspects, including knowledge and skills, as well as social and environmental impacts.

It should be noted that in many countries with developed and transitional economies (China, Russia, Turkey, France, the USA), the role of regional FEZS in overcoming the backlog of individual territories, expanding their industrial and innovative potential remains.

The analysis of the directions of development of FEZ in foreign economies of various levels provides the basis for the following conclusions:

- as national economies develop and their development strategies change, on the one hand, and the goals of the FEZs already operating in them are achieved, on the other, new generations of zones with goals adequate to the new national economic strategies are being created;
- the priorities of FEZ activities are increasingly shifting towards innovation and high technology;
- regional FEZs retain their importance, allowing them to overcome the lag in the development of territories and coexisting with innovation and industrial clusters;
- the discriminatory nature of the FEZ in relation to other territories is leveled through the implementation of the principles of extraterritoriality.

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**THE LABOUR MIGRATION TRENDS IN CHINA  
ТЕНДЕНЦИИ ТРУДОВОЙ МИГРАЦИИ В КИТАЕ**

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*Ключевые слова: трудовая миграция, новая урбанизация, трудовые мигранты.*

*Abstract. This article presents the results of the research on labor migration processes in China. It identifies the main features of new urbanization: urban-rural integration, industrial interaction, conservation and intensification, ecological livability and harmonious development, and the desire of small, medium and large cities to develop in harmony with small towns and new rural communities. Improving the quality of employment for rural workers and actively and continuously promoting the transformation of rural migrant workers into citizens is the ultimate goal of new urbanization. Improving the quality of employment can greatly ensure the relatively equal treatment of labor, higher income and better quality of life for rural migrant workers.*

*Аннотация. В данной статье представлены результаты исследования процессов трудовой миграции в Китае. Выявлены основные черты новой урбанизации: городско-сельская интеграция, промышленное взаимодействие, сохранение и интенсификация, экологическая пригодность для жизни и гармоничное развитие, а также стремление малых, средних и крупных городов развиваться в гармонии с малыми городами и новыми сельскими общинами. Повышение качества занятости*