



# **Formation of the New Forms of Management Systems Spatially Localized Economies in the Paradigm of the Cluster Approach**

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## **ABSTRACT**

The analysis of scientific papers showed that many scientists pay considerable attention to the study of various aspects of the effectiveness of new models of business management in the formats of industries and regional economies. At the same time remain insufficiently studied problems of formation of organizational and economic instruments of the cluster approach, taking into account sectoral and regional specificities of the territories. In addition, it should be noted lack of practical research on evaluating the effectiveness of cluster management in an uncertain environment. Therefore, the need to strengthen the scientific component in the functional verification of the effectiveness of organizational and economic development tools cluster management technologies based on the analysis of factors external and internal environment of the regional economic system determined the direction of the research thesis and justification of its goals and objectives.

**Keywords:** Management System, Cluster, Regional Economy

**JEL Classifications:** G3, P25

## **1. INTRODUCTION**

Considering the impact of the cluster approach to the emergence of new forms of economic relations in the market conditions it should be noted that the advantage of the cluster approach is that it not only makes a significant number of companies under the overall auspices of, but also attaches importance to the social and regional aspects of development. This approach promotes territorial development, helps to increase employment, improve the competitiveness of the region, the growth of regional and local budgets. In the economic and legal literature there are different classifications of business associations. They are considered to be:

- Unions, whose members maintain their independence and the right to the full (cartels, consortia, associations, unions, boards, guilds, chambers and the like, that is, non-profit organizations, including in the form of legal person created by participants with a view coordination of business activities,

lobbying and protection of common interests, more efficient organization of work in consulting and information support);

- Unions, whose members interact with each other on an incomplete amount of the activity and retain autonomy in the management of (the trade unions, industrial groups, conducting a coordinated policy in a particular area of business, financial and industrial groups);
- Associations in which part of the function of management is transferred from one participant to another (trusts, concerns, holdings).

However, in our view, business associations can be classified as other criteria for characterizing the type of production and economic integration (vertical, horizontal, conglomerate); industry affiliation (sectoral, cross-sectoral); according to the degree of diversification (Mono-profile, multi); scale activities (regional, inter-regional, trans-national, inter-state), and others.

In our view, given the criteria for classification are more economic than legal in nature, since only in a few cases, the legislation sets forth features of the legal regulation of a particular type of business association.

## 2. RESEARCH METHODOLOGY

The object of research is a group of companies that form a cluster of regional agro-economic system of the Krasnodar territory. The subject of research is the functional content, objective factors, organizational and economic development trends of the clustering of agricultural enterprises in the form of regional economic system in the region.

In developing problems using different methodological approaches, including a systematic approach to its subject-object-structural and functional aspects; methods and instrumentation technology research, the method of peer review, the use of which allowed for the validity of theoretical propositions and arguments conclusions (Migranyan, 2015). Theoretical and methodological basis of the research were the works of domestic and foreign scholars in the field of fundamental problems of regional economic development, control theory presented in the scientific literature as well as works of local researchers on the development of cluster technology in the management of localities.

## 3. RESULTS

The most common form of business associations in the current environment are holdings (Shitkina, 2007). Holding company has a special role in shaping the country's budget. Therefore, exploring new forms of economic relations generated by the cluster, we consider it necessary to consider the formation of the holding clusters that combine the features of the holding as a conglomerate of different entities as well as cluster technology, created based on the flow of knowledge from one company to another.

Large enterprises education cluster holding structures can significantly increase its assets to increase capital investment, optimize taxation via subsidiaries, using in-house tools.

Despite this, the Russian legislation does not contain legal regulation of activity of cluster holdings. In this regard, we consider it necessary to consider the different definition of "holding" in the Russian legislation, the types of holdings, as well as the advantages and disadvantages of the cluster holding the model of business organization, in order to continue to offer the most optimal form of cluster formation at the regional level (Table 1).

Recently, the Russian holding companies referred to any conglomerate association of commercial structures in which the relationship between the management company and wholly-owned subsidiaries are regulated not only and not so much ownership of, or a measure of participation in the authorized capital as means of various forms of contractual relations, defined by the current legislation (Shuvalov, 2003).

Based on the above, we propose the following definition of cluster holding. A cluster is a group holding economic interaction entities focused, as opposed to the "classical holding" on one geographical area with a homogeneous industry affiliation, in which the share of the parent company (the core cluster) does not provide complete control over the activities of other members of the holding (Suire and Vicente, 2013).

This definition is very organically reflects the basic idea of creating a business cluster type: Cluster holding should promote the active reallocation of funds between companies with the aim of self-financing of large investment projects and transactions, as well as knowledge, which can flow through the exchange of expertise and technology within the cluster.

In the scientific literature (Alabugin, 2005; Kristenin, 2004) states that any cluster passes through a number of stages. They may not be identical, and the pace of development may vary, but there is an internal logic of the way in which the clusters are developing, which makes it possible to discern some characteristic patterns of the clusters. Even though the exact shape and direction will depend on the specific circumstances, the cluster goes through the following stages of the life cycle:

1. Agglomeration: In the region there are a number of companies and other actors.
2. The resulting cluster: Some participants are beginning to cooperate agglomeration around the core business and realize common opportunities through its communications.
3. The developing cluster: There are new members or involved the same or related activities in the region, and new relationships between all the new actors. There may be formal and informal institutions for co-operation. Often begin to arise names, websites, general content related to the region and activities.
4. Fermented cluster: It has already reached a certain critical mass of actors, developed communication beyond its borders, with other clusters, activities and regions. There is an internal dynamics of the creation of new firms by their appearance, joint ventures, by separating.
5. Transformation: Over time markets technology and processes change, as well as clusters. For a cluster to survive, to be viable, to avoid stagnation and decay, you must innovate and adapt to change. He can choose the form of the conversion of one or more new clusters that are centered around other activities, or just to change the ways in which supplied products and services.

It should be noted that the distinctive feature of the cluster is the lack of a single legal entity, it is more consistent with the model of holding type. The cluster is not a single economic entity.

Strategic planning of the development of the cluster in some cases, carried out in accordance with a specific scenario (in the case of active participation in the development of a cluster of authorities). It is often joint planning of business groups, business entities, temporarily uniting for joint projects.

It should also be noted the obvious difference in terms of "cluster" and "Industrial Park," "Technopark," "industrial area," and some others, mainly reflecting structural features. The term "cluster," in

**Table 1: The definition of “holding” and its connection with the development of clusters**

<b>The essence of the definition of holding</b>	<b>Contact the holding structure of the cluster from the perspective of a variety of sources</b>
Kashanina (2003) Holding, in its view, it is “not so much a voluntary association of corporations as forced to not divide and survive and maybe even improve their competitiveness”	Education cluster is a concentration of the most effective and interconnected economic activities, i.e., set of interrelated groups successfully competing firms, which form the “golden section,” in the western interpretation of “diamond – diamond” of the entire economic system of the state and provide a competitive edge in the industry, national and global markets (Mihranyan, <a href="http://subcontract.ru/Docum/DocumShow_DocumID_171.html">http://subcontract.ru/Docum/DocumShow_DocumID_171.html</a> )
Ivanyuk (2005) Holding - an association of legal entities, in which the holding company by virtue of participation in the authorized capital of the business entity or by nonprofit institutions exercise control over the other members of the holding for the purposes of the common economic policy in order to achieve one or more objectives that are common to the entire holding	A cluster is a group of interconnected companies and associated institutions in a particular field, geographically closely located and connected by some commonality or complementarity (Porter, 2006)
Shitkina (2003) Holdings are a variety of groups of individuals, based on the relationship of economic dependence and control, whose members, while maintaining the legal autonomy in their business activities are subject to one of the members of the group, which by virtue of ownership of a majority of shares (stakes in the authorized capital), the contract or other circumstances. It has a decisive influence on decision-making by other members of the group	Cluster - Community firms, closely related industries, mutually contributing to the growth of competitiveness of each other (Tsikhan, 2003 and Tretiak, 2003)
Shuvalov V. (2003) Holding company is a business entity that is prevailing share in the authorized capital of other companies (holding participants), or in accordance with the contract, or otherwise has the power, directly or indirectly (through a third party) to determine the decisions made by business entities - parties holding	
Portnoy (2004) Holding - a group of individuals, including the parent company (holding company), and other business entities in respect of which the parent company has the opportunity to determine the decisions taken by them	
Shitkina (2006) Holding - a form of business association, is a group of organizations (members) based on the relationship of economic dependence and control, whose members, while maintaining the formal legal independence in its business activities under one of the band members - the holding company (the parent company), which is being a holding center association, by virtue of owning predominant interests in the authorized capital, contract or other circumstances directly or indirectly (through a third party) has a decisive influence on decision-making by other members of the group	The term “cluster” refers to the sectoral and geographical concentration of enterprises that produce and sell a range of related or complementary products jointly (Tretiak, <a href="http://subcontract.ru/Docum/DocumShow_DocumID_133.html">http://subcontract.ru/Docum/DocumShow_DocumID_133.html</a> )

addition to the structural features, primarily reflects the functional features - the current system of relationships: Cooperative relations, transactions, competitive relations, the exchange of information, etc. At the same time, the industrial park or industrial park may be the “core” of the cluster in the industrial district can form clusters and proto sub-holding clusters.

Consider the main types of clusters formed at the stage of its creation, for the purposes of further study of the new structure of economic relations at the regional level.

1. Based on the type of addiction, established by the legislation, the clusters can be divided into:
  - Property - based on the prevailing participation in the authorized capital or the presence of a controlling stake (Parfenov, 1999; Kobersy et al., 2015);

- Contractual - when economic relations arise because, in the framework and for the term of the contract (Bolumole et al., 2015);
- Organizational - when economic relations are formed due to other circumstances not directly named in the legislation.

The most common in the Russian and international business and, accordingly, a study in the scientific literature are the property clusters. It is very often in practice, in relation to a particular cluster, there is not one but several types of addiction. Availability of organizational type, depending, as a rule, supplements property and contract relationship, and follows from the ownership of the majority of shares (stakes) or contract. Contractual relationship is often formed in the development of the existing controls in the authorized capital (Shitkina, 2003).

2. Depending on whether the parent company of the cluster exclusively holder of shares (or shares) of subsidiaries are not engaged in this independent production, trade, banking and other commercial activity, or whether it also deals with any commercial activity. There are two types of clusters: Clusters of pure and mixed clusters.

In pure parent enterprise cluster (nucleus) is not conducting any commercial activity, and owning controlling stakes (dominant equity participation) other members of the cluster, only carries out monitoring and control functions for the management and coordination of the activities of other participants.

In a mixed cluster of parent company, in addition to the control and management functions in relation to the other members of the cluster, also performs independent business, business. In this form of the parent enterprise cluster (nucleus) is playing a sort of a double role: On the one hand, it is the management company, on the other - industrial enterprises, banks, traders, etc. (Portnoy, 2004).

3. Depending on the characteristics of owners include the following varieties of clusters: Public and private clusters.

State is a cluster in which the participation of the state (municipality) in the authorized capital of the parent company allows the state (municipality) monitor such integration.

Accordingly, the private is a cluster in which the authorized capital of the parent company formed from the contributions of private entities - commercial organizations and citizens. A variety of private clusters are family clusters.

4. Depending on the nature of production and economic relations between the members of the cluster and the way the United distinguish horizontal, vertical and diversified clusters.

Horizontal clusters (sales) - mergers of companies operating in the same market (energy companies, marketing, telecommunications, etc.). They are a homogeneous union affiliated businesses in, for example, the territorial structures, managed by the parent economic entity. The main objective of this association is to establish a uniform system of suppliers and numerous subsidiaries performing sales functions. If such subsidiaries lot, common rules are needed to regulate their activities.

The specifics of a horizontal cluster are that subsidiaries that are included in it are dispersed. Thus, a cluster to create a single policy for a particular type of product (sold in the form of discounts, gifts for clients, etc.). In this case, centralized management plays an important role in the development of a common policy.

Vertical clusters (production) - an association of enterprises in a production chain (raw material extraction, processing, output, sales). As an example, associations engaged in processing agricultural products, metals and oil refining.

Diversified clusters, unlike the horizontal and vertical, are a form of association of various businesses operating in different markets. Their creation is associated with the spread of economic activities in the new areas of the cluster (with the expansion of the nomenclature of products, types of services, etc.). This often companies do not go for a full merger, but create a particular mechanism of interaction, allowing them to maintain the status of a legal entity and thus cooperate with other enterprises (Dracheva and Liebman, 2001).

International clusters are widely used form of diversified companies to control and direct subsidiary of JSC allocated on any grounds (national, sectoral, etc.).

5. From the point of view of the functional activity of filling the cluster in the foreign and Russian literature allocate financial, managing, and mixed financial manager clusters.

The financial cluster has as its dominant function, the formation of the equity portfolio of the parent company in the subsidiaries. The financial cluster, the parent company does not carry out management activities of the union leadership. This kind of cluster, in our view, can be classified as an investment cluster.

Cluster manager is a basic cluster (main core) in which the parent company exercises a common economic management of subsidiaries. Keller calls this form of government – “cluster of clusters” in the narrow sense (Keller, 1996). Other experts say it is managing a cluster of classic (Portnoy, 2004).

In turn, the control cluster (core cluster) is divided into two subspecies - to strategically manage the cluster, when the parent company is limited only by the development strategy of subsidiaries, thus providing a synergistic effect association, and does not interfere in the operational production activities, and proactively manage the cluster when the current parent company controls the production and economic activities of subsidiaries. Thus, a cluster that combines the functions of financial and control, referred to as financial manager (Shitkina, 2003).

6. In terms of the availability of “a system of participation” and highlights the major structural complexity of the cluster and the intermediate cluster or a cluster sub-holding.

Intermediates clusters exist in multi-tier cluster associations when subsidiaries constitute the main cluster of intermediate cluster, being the parent company in respect of its subsidiaries (Shitkina, 2003).

The cluster sub-holding as a legal entity must be under the direct (member of the first level) or indirectly (sub subsequent levels) the control of the main companies of the cluster and set up on a variety of subsidiaries of concentration for the main enterprise on the strategic objectives of the cluster of the holding as a whole (Vinslav and Germanova 2001).

Often, through the creation of an extensive system of participation in a cluster ensures the stability of the whole group, because in this case significantly reduced business risks.

7. Depending on the deployment of a cluster of enterprises are: Transnational cluster and national cluster.

Transnational clusters are business entities placed in various states. As a result, as a rule, the wide geographical dispersion of its companies, transnational clusters are often registered in the States, which, along with special tax advantages (especially in the form of favorable taxation of foreign dividend income and profits) facilitate access to international financial markets and the special financing instruments.

An essential feature of the national cluster is a dislocation of the participants in the same state.

8. From the standpoint of industry sector and cross-sectoral distinguish clusters (Melnikov, 2004). For example, vertically integrated oil companies are industry clusters. You can call the

industrial, agricultural, transport, energy and other clusters. Not all of these types of clusters has a specific legal regulation, some are not even mentioned in the laws and regulations. After considering the variety of clusters, and investigate the conditions, factors and assumptions of cluster formation (spatially localized economic systems) in the territory of the Russian Federation, in particular the Krasnodar Territory and the Republic of Adygea.

#### 4. CONCLUSIONS

Thus, the allocation of a typology of regions can be characterized by the economy in the region, the labor market situation of households, especially settlement, migration and socio-demographic situation. Typology of regions must be based, in our view, a hierarchy, with the release of basic differentiating features. This choice, of course, subjective, but it can be made on the basis of the expert and analytical experience. We distinguish several components:

1. The level of economic development of the region and the economic status of households - the main differentiating feature of the market in Russia, and its indicators (per capita gross regional product [GRP], the ratio of cash income to subsistence minimum and the poverty rate) were seen as a three-pronged component to estimate the total production of income inequality and its consumption income.
2. The development of the territory, estimated by the population density, which reflects the degree of favorable climate, the type of economic use, the provision of infrastructure and much more. For the vast and diverse territory of Russia's territorial factor is extremely significant.

In our view, the typology should be constructed in the coordinate system, which allows to distinguish four "extreme points," which are the subjects of the Russian Federation:

1. "Rich" and development;
2. "Rich" and poorly developed;
3. "Poor" and development;
4. "Poor" and poorly developed.

With the coordinate system is somewhat easier to structure and other socio-economic and socio-demographic characteristics of the regions. They are superimposed on the basic differences and complementary typology, although it is clear that changes in total synchronicity of all components by type cannot be.

The actual number of different types of logic, imbalance of regional development in Russia is so strong that as a "rich" entities - economic leaders can be identified only Moscow and two autonomous districts of Tyumen Region. By "rich" Tyumen oil-producing districts close Nenets, but so far only in terms of GRP. The next group of leaders of the regions lagging behind significantly, it is called a relatively developed. Most large and fuzzy "middle," i.e., media group. The group of outsiders as heterogeneous in addition to the basic division of income and development, the latter two groups are separated by geographical location, taking into account the level of urbanization as an additional factor.

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