

*Research article*

DOI: <https://doi.org/10.48554/SDEE.2023.2.5>

## Methods And Tools for Harmonisation of Industrial and Trade Policy in The Light Industry

Yulia Sidorenko<sup>1\*</sup>, Tatiana Feofilova<sup>2</sup> , Saurav Dixit<sup>3</sup> 

1 Local Administration of the municipal formation municipal district Posadsky, Saint-Petersburg, Russia, yla-box@mail.ru

2 Peter the Great St. Petersburg Polytechnic University, Russia, feotu@yandex.ru

3 Uttaranchal University, Premnagar, Dehradun, Uttarakhand, India, sauravdixit@uumail.in

4 Khalifa University of Science and Technology, Abu Dhabi, United Arab Emirates, saurav.dixit@ku.ac.ae

\* Corresponding author: yla-box@mail.ru

### Abstract

This study examines the current industrial and trade policy of St. Petersburg in the field of light industry and substantiates the importance and necessity of the development of this sphere of industry in view of its strategic orientation. This paper analyses the approaches mentioned in the literature to determine the methods and tools for harmonisation of industrial and trade policy and state regulation of the conducted policy. The author developed, proposed and systematised administrative and economic methods and tools of harmonisation of industrial and commercial policy using the example of the light industry in St. Petersburg. As an administrative method of harmonisation of industrial and trade policy, the following tools are proposed: regulatory, state programming, state subsidies and public investment. As part of the economic method of harmonisation of industrial and trade policy, the following tools are proposed: state support for investors (monetary policy, tax policy), provision of benefits and tax policy. These methods and tools are aimed at improving the balance and mutual orientation of the current industrial and trade policy of St. Petersburg in the light industry at the institutional level and the effectiveness of their implementation, the elimination of problems faced by business entities in their activities, and improving the socio-economic situation of the region.

**Keywords:** industrial policy, trade policy, harmonisation, light industry, administrative methods, economic methods

**Citation:** Sidorenko, Yu., Feofilova, T., Dixit, S., 2023. Methods And Tools for Harmonisation of Industrial and Trade Policy in The Light Industry. Sustainable Development and Engineering Economics 2, 5. <https://doi.org/10.48554/SDEE.2023.2.5>

This work is licensed under a [CC BY-NC 4.0](https://creativecommons.org/licenses/by-nc/4.0/)



© Sidorenko, Yu., Feofilova, T., Dixit, S., 2023. Published by Peter the Great St. Petersburg Polytechnic University

Научная статья

УДК 339.97

DOI: <https://doi.org/10.48554/SDEE.2023.2.5>

## Методы и Инструменты Гармонизации Промышленной и Торговой Политики Легкой Промышленности

Юлия Сидоренко<sup>1\*</sup>, Татьяна Феофилова<sup>2</sup> , Саурав Дикшит<sup>3,4</sup> 

<sup>1</sup> Администрация Муниципального образования Муниципальный округ Посадский, Санкт-Петербург, Россия, [ylabox@mail.ru](mailto:ylabox@mail.ru)

<sup>2</sup> Санкт-Петербургский политехнический университет Петра Великого, Россия, [feotu@yandex.ru](mailto:feotu@yandex.ru)

<sup>3</sup> Халифский университет науки и технологий, Абу-Даби, Объединенные Арабские Эмираты, [saurav.dixit@ku.ac.ae](mailto:saurav.dixit@ku.ac.ae)

<sup>4</sup> Университет Уттаранчал, Премнагар, Дехрадун, Уттаракханд, Индия, [sauravdixit@uumail.in](mailto:sauravdixit@uumail.in)

\* Автор, ответственный за переписку: [yla-box@mail.ru](mailto:yla-box@mail.ru)

### Аннотация

В рамках исследования рассматривается проводимая промышленная и торговая политика г. Санкт-Петербурга в области легкой промышленности, обосновывается важность и необходимость развития данной сферы промышленности ввиду ее стратегической направленности. В статье проанализированы существующие в литературе подходы к определению методов и инструментов гармонизации промышленной и торговой политики, и государственного регулирования проводимой политики. Автором разработаны, предложены и систематизированы административные и экономические методы и инструменты гармонизации промышленной и торговой политики на примере легкой промышленности города Санкт-Петербурга. В качестве административного метода гармонизации промышленной и торговой политики предложены следующие инструменты: нормативно-правовой, государственного программирования, государственного субсидирования, государственных инвестиций. В рамках экономического метода гармонизации промышленной и торговой политики предложены такие инструменты, как: государственная поддержка инвесторов (денежно-кредитная политика, налоговая политика), предоставление льгот, налоговая политика. Данные методы и инструменты направлены на повышение сбалансированности и взаимной ориентации проводимой промышленной и торговой политики г. Санкт-Петербурга в отрасли легкой промышленности на институциональном уровне и эффективность их реализации, устранение проблемных моментов с которыми сталкиваются хозяйствующие субъекты в сфере своей деятельности и на улучшение социально-экономического положения региона.

**Ключевые слова:** промышленная политика, торговая политика, гармонизация, легкая промышленность, административные методы, экономические методы

**Цитирование:** Сидоренко, Ю., Феофилова, Т., Дикшит, С., 2023. Методы и Инструменты Гармонизации Промышленной и Торговой Политики Легкой Промышленности. *Sustainable Development and Engineering Economics* 2, 5. <https://doi.org/10.48554/SDEE.2023.2.5>

Эта работа распространяется под лицензией [CC BY-NC 4.0](https://creativecommons.org/licenses/by-nc/4.0/)

© Сидоренко, Ю., Феофилова, Т., Дикшит, С., 2023. Издатель: Санкт-Петербургский политехнический университет Петра Великого

## 1. Introduction

The light industry, having a large domestic consumer market and a stable, growing demand for civilian and dual-use goods, is experiencing significant pressure from foreign manufacturers but also has internal difficulties. St. Petersburg in Russia has preserved its competencies and has intra-regional potential for light industry development. However, more than 60% of the sales of light industry products in the consumer market are provided by deliveries from foreign producers. Additionally, the production of consumer goods and other products of light industry enterprises has significantly decreased compared to the last century, i.e. the region has lost part of its sales market and significantly reduced industrial output.

The modern period is characterised by a high level of economic turbulence. The national economy is influenced by factors that fit into global trends. However, apart from them, the economic system is influenced by the restrictions imposed by other states, the increased volume of state expenditures to ensure strategic national interests in the defence sphere, and the sovereignty and integrity of the territory and state. At present, the development of domestic production, especially in terms of processing industries, is of particular importance. Such industries include the light industry. The search for tools for the development of industries under the conditions of unpredictable changes in global and national economies is a subject of scientific interest for various countries and researchers in various branches of the economy (AL-Saadi et al., 2022; Ch'ng et al., 2021; Mahnkopf, 2019; Mamedov et al., 2019; Yang et al., 2019)

Researchers have noted that in the regions, the light industry, as a traditional sector, is experiencing difficulties in its development. Thus, the limitations of the existing model of production are pointed out by Koszewska (2018) business people and authorities. The importance of the transition towards a more circular economy has also been noticed in the European Union. The new regulations provide the enabling framework for the circular economy to flourish. At the same time, although there is no standardized approach to creating a circular economy, while defining appropriate policies, care must be taken that they are suitable for particular industries. The limits of the present linear economy model (take-make-waste. Gomel'ko et al. (2020) noted that there is "insufficient investment in the absence of prospects and attractiveness of light industry and its constituent enterprises for investors". The technical and technological backwardness of production is highlighted by Ibragimova (2019). The increasing restrictions and the withdrawal of foreign manufacturers from the domestic market, on the one hand, create the risks of reducing the output of the light industry in the market and causing consumer demand dissatisfaction. On the other hand, the new conditions of economic activity create opportunities for the development of the light industry in the region.

Many researchers consider the development of the industry in the practical application of various forms of state support, for example, state subsidies (Ibragimova, 2019), increasing the state order (Yakovenko, 2015). However, our analysis of state target programmes has shown that the instruments of state policy for supporting the development of industries need to be improved. This is due to a number of reasons. In particular, the target indicators are not fully achieved; during the implementation of the programme, their quantitative values often decrease, while maintaining or increasing the amount of budget transfers.

We have identified a scientific problem that lies in the fact that the traditional ways of supporting manufacturing industries through subsidies, benefits and tax incentives, for example, do not meet the expectations of the state and do not satisfy the needs of society to the full extent, which determines the scientific search for ways to improve the existing methods and tools of state policy aimed at developing industries in the region (using the light industry as an example). At the current stage, the search, development and implementation of effective direct and indirect methods and tools of state regulation of the economy at the regional level are of particular relevance.

As one of the tools for the development of industries focused on satisfying consumer demand, we can consider harmonisation of the interests of interrelated industries achieved through harmonisation of industrial and trade policies in the region. Harmonisation in the economy is analysed in the national

and international literature from different points of view. For example, Moy and Godefroy consider harmonisation in the food industry to be an instrument for the unification of requirements for product quality in European countries (Barrie and Schröder, 2022; Moy and Godefroy, 2023). In a closely related context, the harmonisation of EU policies has been investigated by Magar et al. (2011) in terms of the standardisation of biomass trade requirements. The analysis showed that international researchers use harmonisation as a tool to coordinate the different components of a single industry (Dansie et al., 2019; Marques, 2019; Schmidt and Steingress, 2022).

The need for harmonisation of national and international industrial standards among the tools of harmonisation of industrial policy was considered by Klimenko et al. (2019). The harmonisation of industrial policy and state policy in the sphere of economic security was considered by Kanoat (2021).

The harmonisation of strategic plans at the national and regional levels was the subject of the study by Plotnikov et al. (2015). In national publications, the harmonisation of industrial and trade policy is most often analysed at the microeconomic level (e.g. Barmashov, 2018). The harmonisation of industrial and trade policy at the regional level is mostly studied as a tool to ensure productive and efficient interactions between enterprises and representatives of various industries (Roslyakova, 2021). Thus, harmonisation at the stage of development of sectoral components of state regional policy as a tool of state stimulation and support of industry development is not fully applied and studied, which determined the goal of this study. The aim was to develop the tools of harmonisation during the formation of institutional support for industrial and trade policy in the region using the example of the light industry.

## 2. Literature review

To develop measures for the harmonisation of industrial and trade policy, it is important to determine a set of methods and tools for state policy.

Shpak (2009) considered methods and tools of harmonisation of industrial and trade policy in terms of indicators of economic security in the region. Undoubtedly, when carrying out industrial and trade policy, it is necessary to consider the level of economic security in the region, but this approach does not fully reflect the existing problems in balancing the industrial and trade policy being conducted. It is aimed at increasing the values of economic security indicators, some of which are not directly related to the sphere of industry and trade, such as life expectancy and housing (Smirnova and Feofilova, 2018).

Mysachenko (2009) divided the forms and methods of state regulation of industry into four groups: the first group, macroeconomics, is the successful activity of state agencies to optimise the sectoral structure of industry, optimise the ratio of accumulation and consumption, rationalise all industrial sectors, stimulate demand for products, and promote exports (methods: forecasting, programming, regulatory, protectionist measures, differential taxation, development and implementation of a system of priorities, state investment, direct subsidies and other methods of investment policy, differential customs tariffs, export concentration and coordination, import restrictions, state guarantees and investment insurance, state subventions, targeted loans); the second one, microeconomics, is the method of state regulation of restructuring the primary production link, the withdrawal of inefficient industrial production from the economic turnover (methods such as forecasting, indicative programming, taxation, bankruptcy, state subventions, state investment, preferential loans, state order and price regulation); the third group of methods allows public authorities of the federal centre to reorganise the economic structure of industry in the country and the regulation of the regional industrial structure (forecasting, programming, legal framework for development of federalism, taxes, state investment, mixed financing of scientific and technological priorities, creation of free economic zones); and the fourth group is related to institutional changes that complement the first, second and third groups (methods such as regulatory methods for regulating investment flows, antimonopoly methods, state guarantees and information support). This classification is quite meaningful and detailed, but it also seems rather generalised, as it is proposed for use in all regions (Smirnova and Feofilova, 2018). It is worth agreeing with the statement of Erofeeva (2011)

that an industrial policy, as a set of measures and actions, should respond to the problems and challenges of the real industrial state and development. It should provide solutions to the most acute actual problems of industrial development, as well as mechanisms for their implementation.

The example of foreign countries that are leaders in the light industry demonstrates the effectiveness of measures aimed not only at developing the industrial complex but also at supporting trade. Many studies have been conducted in the field of increasing competitiveness in the light industry. For example, Epanchintseva (2012) provided a scheme of measures to achieve competitiveness in the light industry, in which at the industry and micro levels, measures were indicated that were equally aimed at stimulating industry and improving trade, such as “product quality improvement”, “technical modernisation of production facilities”, “marketing improvement”, “optimum price policy” and “production organisation and logistics” at the micro level; and “creation of industry associations”, “creation of industry procurement structures”, “creation of industry added value chain”, “creation of training organisations” and “trade network expansion” at the industry level.

Relying on the expert opinion of the largest apparel retailers in Russia, marketing research on the textile and apparel market, and empirical and statistical data on the light industry and the textile and apparel market, we offer a developed set of measures aimed at the harmonisation of industrial and trade policy in the light industry of St. Petersburg. Developing the ideas of Mysachenko (2009), we propose systematised, specific administrative and economic methods and tools for the harmonisation of industrial and trade policy, focused on the development of the light industry in St. Petersburg.

### 3. Materials and methods

The informational and empirical basis of the study consisted of data from the Federal State Statistics Service of the Russian Federation (Rosstat), the Office of the Federal State Statistics Service for St. Petersburg and the Leningrad region (Petrostat), federal and regional legislative and regulatory acts of the Russian Federation in the field of industrial and trade policies, industrial and trade development strategies at the federal and regional levels, and state target programmes aimed at supporting and developing the industry and trade of St. Petersburg.

The study used the method of analysis of institutional (regulatory and legal) support of industrial and trade policy at the federal and regional levels of St. Petersburg, the method of comparison at the federal and regional levels of the programme, and goal-oriented planning in the field of industrial and trade policy. The method of analogy allowed the federal experience of strategic planning and the formation of state programmes to be adapted to the regional level and clarified the functions and tasks of state authorities of constituent entities responsible for the formation and development of industrial and trade policy. The method of induction allowed for the formulation and identification of specific methods and tools for the harmonisation of industrial and trade policy of the light industry in St. Petersburg. The method of systematisation and grouping allowed them to be summarised and systematised using administrative and economic methods.

### 4. Results

During the study, a number of factors were identified as limiting the development of the industry (exemplified by the light industry) in the region. In addition to the factors related to the sources of risks formed by the technical and technological backwardness of industrial production, lack of investment, loss of the sales market for products, and the high level of competition, the limited effectiveness of support measures by public authorities was revealed.

Analysis of the state target programmes of the region showed that, for industry and trade, there were measures that when implemented did not lead to the achievement of the target indicator values. We developed the tools of administrative and economic methods to use the resources of industry and trade to stimulate the development of the respective sectors of the region’s economy. In developing the instruments of the state policy in the region, we relied on mutual consideration of the interests of the

sectors - industry and trade, which, according to our calculations, will form a synergistic effect for the socio-economic system in the region by including coordinated measures to support sectoral enterprises.

The tools of the administrative method for the harmonisation of industrial and trade policy of the region are presented in Table 1.

**Table 1.** Administrative tools of the harmonisation of industrial and trade policy in St. Petersburg using the example of the light industry

<b>Administrative methods of harmonisation</b>		
<b>Harmonisation tools</b>	<b>Form of implementation</b>	<b>Estimated effect</b>
Regulatory Adoption of the Regulation on the Committee  Clarification of the functions of the committees responsible for the development of industry and trade / or merging these committees by analogy with the federal level of government  (implemented)	Interaction of the committees when developing state programs, development of joint programs;  approval of a passport of the state programme (in its area of activity) to clarify the goals, objectives and target indicators.	Increasing communication and interaction between the committees; it will allow coordinated decisions, enhance mutual orientation and integration of the conducted industrial and trade policy, and streamline the list of activities being carried out.
Regulatory  Based on sub-clause 7, clause 1, Article 9 of Law No. 221-47 of 08.06.2009 “On foundations of the industrial policy of St. Petersburg” (establishment of coordination and advisory bodies in the sphere of development of industry in St. Petersburg)  Adoption of the Regulation on the Advisory Board	Creation of the Advisory Board (under the Committee on the Industrial Policy, Innovation, and Trade of St. Petersburg), the function of which is to expand communication channels between government and business to make balanced decisions when forming and implementing policies and government programs for the development of industry and trade.	Creation of a negotiation platform for making coordinated, mutually oriented decisions, increasing the level of communication between the authorities and business entities of the industry and trade in St. Petersburg.
Regulatory  Improvement of the legislative and regulatory framework of documents constituting the institutional support of industrial and trade policy in St. Petersburg	Introduction of amendments and additions to legislative and other legal acts of St. Petersburg regulating the activities of industrial and trade policy in terms of setting goals and objectives aimed at the mutual orientation of the development of industries and considering the interests of trade industries (in particular: 1) St. Petersburg law of 13.05.2009 No. 221-47 “On the basis of the St. Petersburg industrial policy”; 2) St. Petersburg law of 27.10.2010 No. 582-139 “On state regulation of trading activities in St. Petersburg ...”; 3) St. Petersburg law of 19.12.2018 No. 771-164 “On the Strategy for Social and Economic Development of St. Petersburg for the period until 2035”; 4) SP SPb “Development of industry, innovation, and agro-industrial complex in St. Petersburg”; 5) SP SPb “Development of entrepreneurship and consumer market in St. Petersburg”.	Increasing the mutual orientation of industries towards one another; coherence, uniformity, integrity of the goals and objectives of industrial and trade policy.
Regulatory  Specification of target indicators of state programmes for industrial and trade development	Explanation of the goals, objectives and specification of target indicators of state programmes for industrial and trade development, considering the mutual interests of the development of industries. The formation of the goals requires the consideration of the mutual interests of industries. Targeting tasks to solve problems in the industry in the interests of economic entities.	Making the evaluation of effectiveness of target indicators and implementation of the programs homogeneous. Updating and focusing on the solution of problem areas in industries. As a result, solving the problem areas hinders the development of industry and trade.

<p>Regulatory</p> <p>Fixing the development of the light industry as a priority for St. Petersburg</p>	<p>Supplementing the strategy for socio-economic development in St. Petersburg until 2035 with provisions on the inclusion of the light industry into areas of industry ensuring sustainable economic growth, aimed at import substitution (item 3.3, clause 6.3)</p>	<p>Development of the light industry in the territory of St. Petersburg (historically traditionally established industry for St. Petersburg).</p> <p>Interregional cooperation with the Ivanovo region.</p>
<p>Regulatory, State programming</p> <p>Development of a state subprogramme for the development of the light industry in St. Petersburg in the framework of the SP Development of industry, innovation, and agro-industrial complex in St. Petersburg (similar to the subprogramme “Light industry and folk arts and crafts”)</p>	<p>Orientation of the goals and objectives of the program to meet consumer demand of the population of the region, involvement and interest of trade entities in the promotion of regional products, and solving existing problems in the sectors of light industry.</p> <p>Targeting of state support.</p> <p>Popularisation and promotion of the “Made in St. Petersburg” brand, maintaining the image of St. Petersburg as the capital of the fashion industry.</p> <p>Formation of consciousness of environmentally friendly consumption; popularisation of purchasing high-quality products made of natural fabrics.</p> <p>Conclusion and execution of the agreement on interregional cooperation with the Ivanovo region, increase of localisation, and construction of the cluster development of the industry.</p>	<p>Creation of additional production in the territory of St. Petersburg, which contributes to improving the business climate in the region. Creation of additional jobs, filling the revenue part of the budget. Increasing the competitiveness of products. Reducing the cost of production for the end consumer. Stimulating sales of regional products in the region, country and export development.</p> <p>Additional funding for business entities.</p>
<p>State subsidies, Government investment</p> <p>Increasing state support measures to improve the competitiveness of regional products</p>	<p>Reducing administrative barriers when participating in state programs (expanding the scope of grants and subsidies).</p> <p>Popularisation of state measures to support manufacturers, increasing the level of communication and counselling.</p> <p>Increase in the volume of budget funds allocated for the renovation of fixed assets within the framework of the state programme.</p> <p>Stimulation and assistance in the digitalisation of production.</p> <p>Co-financing of projects for the development of light industry production infrastructure (up to 50% of the project cost).</p>	

The following groups of tools have been developed as the tools of the economic method of harmonisation of industrial and trade policy in St. Petersburg using the example of the light industry: state support for investors, provision of benefits and tax policy measures (Table 2).

**Table 2.** Economic methods and tools for the harmonisation of industrial and trade policy in St. Petersburg using the example of the light industry

Economic methods of harmonisation		
Harmonisation tools	Form of implementation	Estimated effect
<p><b>State support for investors (monetary policy, tax policy)</b></p> <p>Encouraging the placement of production facilities in the territory of St. Petersburg</p>	<p>Construction of modern factories and modernisation of existing ones to develop competitive products, leasing production areas for contract manufacturing, outsourcing to SMEs and the self-employed.</p> <p>Organisation of production in the territory of St. Petersburg of the largest foreign retailers of the Russian apparel market, Inditex, GloriaJeans and Adidas, and the largest Russian retailers, Oodji, Incity and MelonFashionGroup</p>	<p>Development of small and medium businesses. Increase the investment attractiveness of the region. Create additional jobs. Reduce the cost of goods for the end consumer.</p>

<p><b>Provision of benefits</b></p> <p>for the use of land plots and property owned by St. Petersburg</p> <p>Provision of benefits for the use of land for the construction of production and storage facilities</p>	<p>Provision of benefits for the use of land for the construction of storage facilities, namely:</p> <ul style="list-style-type: none"> <li>- provision of state-owned land plots for leases without tender;</li> <li>- reducing the rent for the provision of land for construction to 1.5% of its cadastral value;</li> <li>- possibility of redeeming a land plot obtained for designated purposes at a reduced price;</li> <li>- establishment of preferential rent rates for the use of property owned by St. Petersburg.</li> </ul>	<p>Support and development of small and medium businesses. Distribution of the regional product. Increase business loyalty to state authorities. Increase the region's investment appeal and improve the region's business climate. Reduce the cost of goods for the end consumer.</p>
<p><b>Tax policy</b></p> <p>Establishment of special preferential tax regimes</p>	<p>Providing tax benefits for 5 tax periods in accordance with the law of St. Petersburg of 28.06.1995, No. 81-11, the subjects conducting activities under OKVED 2:</p> <p>in industry:</p> <ul style="list-style-type: none"> <li>class 13 – Manufacture of textile products;</li> <li>class 14 – Manufacture of clothing;</li> <li>class 15.2 – Manufacture of footwear.</li> </ul> <p>in commerce</p> <ul style="list-style-type: none"> <li>47.51 – Retail trade in textile articles in specialised stores;</li> <li>46.11.35 – Activities of agents in wholesale trade in textile raw materials and semi-finished goods;</li> <li>46.16 – Activities of agents in wholesale trade in textile articles, clothing, footwear, leather and fur products;</li> <li>46.42 – Wholesale trade in clothing and footwear;</li> <li>47.71 – Retail sale of clothing in specialised stores;</li> <li>47.82 – Retail sale in non-stationary trade objects and markets with textiles, clothing and footwear.</li> </ul>	<p>Reduce the tax burden on business entities, reducing the cost of production for the end consumer. Increase the investment attractiveness of the region, improving the business climate in the region – a synergistic socio-economic effect.</p>

The light industry of the region was chosen as the object, the factors of the development and the current state of which were identified and evaluated during this study. As a result, tax incentives for the light industry were developed (Table 3).

**Table 3.** Regional tax incentives for entities operating in the light industry and trade in textile and clothing products

Tax type	General conditions	For St. Petersburg SEZ / Industrial zones	Tax incentives for investment projects	Proposed tax incentives (for the light industry and trade in textile and clothing products)
Transport tax	10 – 150 r./h.p.	0 r./h.p. for 5 years from the date of vehicle registration	-	5/70 r./h.p. during the program but not more than 5 tax periods
Income tax	20%	15.5% for the entire period of the Special Economic Zone's existence	13.5 for 7 years	15% during the program but not more than 5 tax periods



Property tax	2.2%	0% for 10 years from the date of property registration	0% for 5 years	1% during the program but not more than 5 tax periods
Land tax	1.5%	0% for 5 years from the date of emergence of ownership of each land plot	renting a land plot without tender; the possibility of redeeming the plot at a reduced price; reduction of the rent for the provision of land for construction up to 1.5% of its cadastral value	1% during the program but not more than 5 tax periods

When developing tax incentives for light industry enterprises in the region, the experience of state support of the automotive industry was adapted. Over a 10-year period (2010–2020), the automotive industry in the region was created through the successful implementation of state industrial policy measures. We chose the coefficient of capital intensity of enterprises as the main indicator to adapt measures of state support in value terms, which allowed us to compare the amount of resources required to invest in fixed production assets at the initial stage of development of industrial enterprises.

## 5. Discussion

The analysis identified the inconsistency of elements in industrial and trade policy, expressed in the lack of mutual orientation of goals and objectives of industry and trade, embodied in the normative legal acts of the Federation's constituent entity, limiting the development and implementation of measures to stimulate production based on a comprehensive approach. The analysis of normative legal acts at the federal level revealed that, in the documents of strategic and programme-target planning of the interests of the industrial and trade policy, harmonisation was achieved at least at the level of goal setting. Thus, the approach proposed by us, based on the harmonisation of industrial and trade policy of the region, is essentially an adaptation of the federal experience for state target programmes at the regional level of management.

Our vision of industry development through the harmonisation of interests with trade agrees with the conclusions of Bogatyrev (2021). However, despite the similarity of approaches to choosing the tools of harmonisation, according to the author, the region's industrial and competition policy, rather than its industrial and trade policy, is subject to harmonisation. From our point of view, the option of stimulating the development of industry outlined in this paper allows for the use of regional potential, which contributes to a synergistic socio-economic effect.

The developed toolkit aimed to improve institutional support, that is, the quality of the developed and adopted trade and industrial policy of the region, which distinguishes the results from works on the harmonisation of industrial and trade policy (Bayanduryan and Kleimenova, 2019).

The tools proposed in this paper are not new on their own. Their difference from the tools proposed in the literature and used in practice lies in the coordination of measures for industrial and trade enterprises. The industrial potential of the region and the capacity of the consumer market are considered, which will increase the production output of the light industry, promote the product in the regional market, and improve the socio-economic indicators of the region.

## 6. Conclusion

The harmonisation of industrial and trade policies, in our opinion, is advisable through the combined application of administrative and economic methods. The tools of these methods proposed in this paper were developed for the light industry in St. Petersburg. However, they are applicable to other regions of the country that have competences and the potential to develop the light industry. In addition, the development of industries through coordination of their interests is applicable not only to industry and trade; for example, great potential lies in the harmonisation of professional education and state industrial policy.

The methods and tools of the harmonisation of industrial and trade policy are dynamic and ap-

plied situationally, depending on political, economic, epidemiological and other situations. Therefore, the actualisation of the methods and tools must meet the existing challenges and threats in a regime of instability and uncertainty.

The proposed tools are aimed at achieving a synergistic socio-economic effect, namely reducing the tax burden on business entities, increasing business loyalty to state authorities, reducing the production cost for the end consumer, promoting a regional product, increasing the investment attractiveness of the region, establishing inter-regional cooperation, supporting and developing small and medium businesses, and improving the business climate in the region.

### Acknowledgments

The research was financed as part of the project “Development of a methodology for instrumental base formation for analysis and modeling of the spatial socio-economic development of systems based on internal reserves in the context of digitalization” (FSEG-2023-0008)

### References

- AL-Saadi, T., Cherepovitsyn, A., Semenova, T., 2022. Iraq oil industry infrastructure development in the conditions of the global economy turbulence. *Energies* 15(17), 6239. <https://doi.org/10.3390/en15176239>
- Barmashov, K., 2018. Harmonization of industrial and trade policy of the enterprise. *Vestn. Univ.* 73–78. <https://doi.org/10.26425/1816-4277-2018-8-73-78>
- Barrie, J., Schröder, P., 2022. Circular economy and international trade: a systematic literature review. *Circ. Econ. Sustain.* 2, 447–471. <https://doi.org/10.1007/s43615-021-00126-w>
- Bayanduryan, G.L., Kleimenova, Y.A., 2019. Harmonization of industrial and trade policy (on the example of agricultural engineering). *Rural Mach. Oper.* 16–17.
- Bogatyrev, I.F., 2021. Theoretical and applied aspects of industrial and competition policy harmonization. *Vestn. Univ.* 7, 93–99. <https://doi.org/10.26425/1816-4277-2021-7-93-99>
- Ch'ng, P.-C., Cheah, J., Amran, A., 2021. Eco-innovation practices and sustainable business performance: the moderating effect of market turbulence in the Malaysian technology industry. *J. Clean. Prod.* 283, 124556. <https://doi.org/10.1016/j.jclepro.2020.124556>
- Dansie, L.S., Odoch, W.D., Årdal, C., 2019. Industrial perceptions of medicines regulatory harmonization in the East African Community. *PLoS One* 14, e0218617. <https://doi.org/10.1371/journal.pone.0218617>
- Epanchintseva, S., 2012. Development of light industry: experience of foreign countries. *Bull. KazEU* 3, 107–114.
- Erofeeva, T.P., 2011. Harmonization of industrial policy in the modern economy. *Bull. Kostroma State Univ.* 3, 398–402.
- Gomel'ko, T. V., Bortnik, Y.A., Ovsyannikova, M.A., 2020. Problems of light industry development in modern Russia. *Econ. Manag.* 26, 69–73. <https://doi.org/10.35854/1998-1627-2020-1-69-73>
- Ibragimova, R.S., 2019. Problems of long-term growth of textile and clothing industry in Russia. *Perm Univ. Her. Econ.* 14, 617–636. <https://doi.org/10.17072/1994-9960-2019-4-617-636>
- Kanoat, B., 2021. Reforming industrial policy of the region in view of harmonization and economic security. *Vestn. Plekhanov Russ. Univ. Econ.* 18, 199–203. <https://doi.org/10.21686/2413-2829-2021-2-199-203>
- Klimenko, O.I., Brazhnikov, Y.I., Laypanov, A.I., 2019. To the problem of industrial policy state regulation effectiveness. *Her. Belgorod Univ. Coop. Econ. Law* 6, 23–33. <https://doi.org/10.21295/2223-5639-2019-6-23-33>
- Koszewska, M., 2018. Circular economy — Challenges for the textile and clothing industry. *Autex Res. J.* 18, 337–347. <https://doi.org/10.1515/aut-2018-0023>
- Magar, S.B., Pelkonen, P., Tahvanainen, L., Toivonen, R., Toppinen, A., 2011. Growing trade of bioenergy in the EU: public acceptability, policy harmonization, European standards and certification needs. *Biomass and Bioenergy* 35, 3318–3327. <https://doi.org/10.1016/j.biombioe.2010.10.012>
- Mahnkopf, B., 2019. Discussion Paper No. 01 / 2019 The ‘4 th wave of industrial revolution’ – a promise blind to social consequences, power and ecological impact in the era of ‘digital capitalism’. *EuroMemo Gr.* 1–21.
- Mamedov, Z.F., Mineva, O.K., Glinchevskiy, E.I., 2019. Innovative approach to human capital management under conditions of strong turbulence of fourth industrial revolution, in: 37TH International scientific conference on economic and social development - socio economic problems of sustainable.
- Marques, J.C., 2019. Private regulatory capture via harmonization: an analysis of global retailer regulatory intermediaries. *Regul. Gov.* 13, 157–176. <https://doi.org/10.1111/rego.12252>
- Moy, G.G., Godefroy, S., 2023. International standards and harmonization of food safety legislation, in: *Reference Module in Food Science*. Elsevier. <https://doi.org/10.1016/B978-0-12-822521-9.00153-2>
- Mysachenko, V.I., 2009. Methods and tools of state regulation of structural transformations of industry. *Bull. Tomsk State Univ.* 323, 268–272
- Plotnikov, V., Fedotova, G., Popkova, E., Kastyurina, A., 2015. Harmonization of strategic planning indicators of territories' socioeconomic growth. *Reg. Sect. Econ. Stud.* 15, 105–114.
- Roslyakova, E.A., 2021. Sustainable development of interaction of industrial and trade policy in socially significant industries. *Vestn. Samara State Univ. Econ.* 6, 23–34. <https://doi.org/10.46554/1993-0453-2021-6-200-23-34>
- Schmidt, J., Steingress, W., 2022. No double standards: quantifying the impact of standard harmonization on trade. *J. Int. Econ.* 137, 103619. <https://doi.org/10.1016/j.jinteco.2022.103619>
- Shpak, A.S., 2009. Harmonization of trade and industrial policies, taking into account economic security. *Sib. Aerosp. J.* 2, 309–402.
- Smirnova, Yu. A. and Feofilova, T.Y., 2018. Methods and tools for harmonizing industrial and trade policy as a way to achieve economic Sustain. Dev. Eng. Econ. 2023, 2, 5. <https://doi.org/10.48554/SDEE.2023.2.5>

- security of an industrial region (on the example of St. Petersburg). *Reg. Econ. Manag. Electron. Sci. J.* 2, 3.
- Yakovenko, N., 2015. Trends and prospects of the textile industry development in the depressed region (Ivanovo Region). *Vestn. Volgogr. Gos. Univ. Ser. 3. Ekon. Ekol.* 4 (33), 121–129. <https://doi.org/10.15688/jvolsu3.2015.4.11>
- Yang, J., Ma, J., Zhao, H., Cater, J., Arnold, M., 2019. Family involvement, environmental turbulence, and R&D investment: evidence from Listed Chinese SMEs. *Small Bus. Econ.* 53, 1017–1032. <https://doi.org/10.1007/s11187-018-0113-6>

### СПИСОК ИСТОЧНИКОВ

- AL-Saadi, T., Cherepovitsyn, A., Semenova, T., 2022. Iraq oil industry infrastructure development in the conditions of the global economy turbulence. *Energies* 15(17), 6239. <https://doi.org/10.3390/en15176239>
- Barmashov, K., 2018. Harmonization of industrial and trade policy of the enterprise. *Vestn. Univ.* 73–78. <https://doi.org/10.26425/1816-4277-2018-8-73-78>
- Barrie, J., Schröder, P., 2022. Circular economy and international trade: a systematic literature review. *Circ. Econ. Sustain.* 2, 447–471. <https://doi.org/10.1007/s43615-021-00126-w>
- Bayanduryan, G.L., Kleimenova, Y.A., 2019. Harmonization of industrial and trade policy (on the example of agricultural engineering). *Rural Mach. Oper.* 16–17.
- Bogatyrev, I.F., 2021. Theoretical and applied aspects of industrial and competition policy harmonization. *Vestn. Univ.* 7, 93–99. <https://doi.org/10.26425/1816-4277-2021-7-93-99>
- Ch'ng, P.-C., Cheah, J., Amran, A., 2021. Eco-innovation practices and sustainable business performance: the moderating effect of market turbulence in the Malaysian technology industry. *J. Clean. Prod.* 283, 124556. <https://doi.org/10.1016/j.jclepro.2020.124556>
- Dansie, L.S., Odoch, W.D., Årdal, C., 2019. Industrial perceptions of medicines regulatory harmonization in the East African Community. *PLoS One* 14, e0218617. <https://doi.org/10.1371/journal.pone.0218617>
- Epanchintseva, S., 2012. Development of light industry: experience of foreign countries. *Bull. KazEU* 3, 107–114.
- Erofeeva, T.P., 2011. Harmonization of industrial policy in the modern economy. *Bull. Kostroma State Univ.* 3, 398–402.
- Gomel'ko, T. V., Bortnik, Y.A., Ovsyannikova, M.A., 2020. Problems of light industry development in modern Russia. *Econ. Manag.* 26, 69–73. <https://doi.org/10.35854/1998-1627-2020-1-69-73>
- Ibragimova, R.S., 2019. Problems of long-term growth of textile and clothing industry in Russia. *Perm Univ. Her. Econ.* 14, 617–636. <https://doi.org/10.17072/1994-9960-2019-4-617-636>
- Kanoat, B., 2021. Reforming industrial policy of the region in view of harmonization and economic security. *Vestn. Plekhanov Russ. Univ. Econ.* 18, 199–203. <https://doi.org/10.21686/2413-2829-2021-2-199-203>
- Klimenko, O.I., Brazhnikov, Y.I., Laypanov, A.I., 2019. To the problem of industrial policy state regulation effectiveness. *Her. Belgorod Univ. Coop. Econ. Law* 6, 23–33. <https://doi.org/10.21295/2223-5639-2019-6-23-33>
- Koszewska, M., 2018. Circular economy — Challenges for the textile and clothing industry. *Autex Res. J.* 18, 337–347. <https://doi.org/10.1515/aut-2018-0023>
- Magar, S.B., Pelkonen, P., Tahvanainen, L., Toivonen, R., Toppinen, A., 2011. Growing trade of bioenergy in the EU: public acceptability, policy harmonization, European standards and certification needs. *Biomass and Bioenergy* 35, 3318–3327. <https://doi.org/10.1016/j.biombioe.2010.10.012>
- Mahnkopf, B., 2019. Discussion Paper No. 01 / 2019 The '4 th wave of industrial revolution' – a promise blind to social consequences, power and ecological impact in the era of 'digital capitalism'. *EuroMemo Gr.* 1–21.
- Mamedov, Z.F., Mineva, O.K., Glinchevskiy, E.I., 2019. Innovative approach to human capital management under conditions of strong turbulence of fourth industrial revolution, in: 37TH International scientific conference on economic and social development - socio economic problems of sustainable.
- Marques, J.C., 2019. Private regulatory capture via harmonization: an analysis of global retailer regulatory intermediaries. *Regul. Gov.* 13, 157–176. <https://doi.org/10.1111/rego.12252>
- Moy, G.G., Godefroy, S., 2023. International standards and harmonization of food safety legislation, in: Reference Module in Food Science. Elsevier. <https://doi.org/10.1016/B978-0-12-822521-9.00153-2>
- Mysachenko, V.I., 2009. Methods and tools of state regulation of structural transformations of industry. *Bull. Tomsk State Univ.* 323, 268–272
- Plotnikov, V., Fedotova, G., Popkova, E., Kastyurina, A., 2015. Harmonization of strategic planning indicators of territories' socioeconomic growth. *Reg. Sect. Econ. Stud.* 15, 105–114.
- Roslyakova, E.A., 2021. Sustainable development of interaction of industrial and trade policy in socially significant industries. *Vestn. Samara State Univ. Econ.* 6, 23–34. <https://doi.org/10.46554/1993-0453-2021-6-200-23-34>
- Schmidt, J., Steingress, W., 2022. No double standards: quantifying the impact of standard harmonization on trade. *J. Int. Econ.* 137, 103619. <https://doi.org/10.1016/j.jinteco.2022.103619>
- Shpak, A.S., 2009. Harmonization of trade and industrial policies, taking into account economic security. *Sib. Aerosp. J.* 2, 309–402.
- Smirnova, Yu. A. and Feofilova, T.Y., 2018. Methods and tools for harmonizing industrial and trade policy as a way to achieve economic security of an industrial region (on the example of St. Petersburg). *Reg. Econ. Manag. Electron. Sci. J.* 2, 3.
- Yakovenko, N., 2015. Trends and prospects of the textile industry development in the depressed region (Ivanovo Region). *Vestn. Volgogr. Gos. Univ. Ser. 3. Ekon. Ekol.* 4 (33), 121–129. <https://doi.org/10.15688/jvolsu3.2015.4.11>
- Yang, J., Ma, J., Zhao, H., Cater, J., Arnold, M., 2019. Family involvement, environmental turbulence, and R&D investment: evidence from Listed Chinese SMEs. *Small Bus. Econ.* 53, 1017–1032. <https://doi.org/10.1007/s11187-018-0113-6>

The article was submitted 21.04.2023, approved after reviewing 28.05.2023, accepted for publication 01.06.2023.

Статья поступила в редакцию 21.04.2023, одобрена после рецензирования 28.05.2023, принята к публикации 01.06.2023.

About authors:

1. Yulia Sidorenko, Local Administration of the municipal formation municipal district Posadsky, Saint-Petersburg, Russia. [yla-box@mail.ru](mailto:yla-box@mail.ru)
2. Tatiana Feofilova, Candidate of Economic Science, associate professor at the Graduate School of Industrial Economics, Peter the Great St. Petersburg Polytechnic University, Saint-Petersburg, Russia. <https://orcid.org/0000-0001-6413-3695>, [feotu@yandex.ru](mailto:feotu@yandex.ru)
3. Saurav Dixit, Ph.D., Postdoc, Khalifa University of Science and Technology, Abu Dhabi, United Arab Emirates, [saurav.dixit@ku.ac.ae](mailto:saurav.dixit@ku.ac.ae). Associate Professor, Division of Research and Innovation, Uttaranchal University, Premnagar, Dehradun, Uttarakhand-248007, India, [sauravdixit@uumail.in](mailto:sauravdixit@uumail.in). <https://orcid.org/0000-0002-6959-0008>

Информация об авторах:

1. Юлия Сидоренко, Администрация Муниципального образования Муниципальный округ Посадский, Санкт-Петербург, Россия. [yla-box@mail.ru](mailto:yla-box@mail.ru)
2. Татьяна Феофилова, к.э.н., доцент, Высшая инженерно-экономическая школа, Санкт-Петербургский политехнический университет Петра Великого, Санкт-Петербург, Россия. <https://orcid.org/0000-0001-6413-3695>, [feotu@yandex.ru](mailto:feotu@yandex.ru)
3. Саурав Дикшит, доктор философии, постдок, Халифский университет науки и технологий, Абу-Даби, Объединенные Арабские Эмираты, [saurav.dixit@ku.ac.ae](mailto:saurav.dixit@ku.ac.ae). Доцент, отдел исследований и инноваций, Университет Уттаранчал, Премнагар, Дехрадун, Уттаракханд-248007, Индия, [sauravdixit@uumail.in](mailto:sauravdixit@uumail.in). <https://orcid.org/0000-0002-6959-0008>