

# DEVELOPMENT OF MUNICIPAL FORMATIONS

DOI: 10.15838/esc.2019.5.65.4

UDC 332.1(470.12), LBC 65.050.23(2Rus–4Vol)

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## Regional Policy on the Development of Municipalities: Efficiency Assessment and Implementation Specifics in the Current Context\*



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**Abstract.** After the adoption of the Strategy for Spatial Development of the Russian Federation until 2025 in February 2019, special importance was attached to the issues concerning the formation of the coherent system of the RF entity's regional policy on the development of municipalities, which takes into account socio-economic and geographical features of different territories. In this regard, the goal of this article is to develop methodological tools for efficiency assessment and for analyzing the specifics of interregional policy in the RF entity (on the materials of the Vologda Oblast). Scientific novelty of the research consists, first, in the fact that it uses expert opinions, which were obtained during a questionnaire survey of the Vologda Oblast municipalities heads, and second, in the analysis based on our own criteria of spatial (territorial) aspects reflection in strategies for development of constituent entities within the Northwestern Federal District. The research uses methods such as analysis, synthesis, comparison, generalization, methodological tools based on economic and statistical, comparative analysis, and expert survey. We reveal that, despite the efforts of state authorities of the Vologda Oblast to develop municipalities, the number of problems, concerning interregional policy implementation, still exist. They are: insufficient consideration of specifics and features of certain municipalities' development; bureaucratic obstacles in the cooperation between state and local authorities; limited powers of local authorities, etc. The results of the conducted research might be used in the activities

\* The research was supported by the Russian Foundation for Basic Research and the Government of the Vologda Oblast under scientific project no. 19-410-350010.

**For citation:** Voroshilov N.V. Regional policy on the development of municipalities: efficiency assessment and implementation specifics in the current context. *Economic and Social Changes: Facts, Trends, Forecast*, 2019, vol. 12, no. 5, pp. 58–75. DOI: 10.15838/esc.2019.5.65.4

of state authorities of the Russian Federation entities. Also, the research might serve as the foundation for further scientific studies on the ways to improve the forms, methods, and tools of the interregional policy implementation.

**Key words:** regional policy on municipalities' development, socio-economic development strategy, Northwestern Federal District, Vologda Oblast, questionnaire survey, assessment methodology.

### Introduction

For Russia, the world's largest country, of great importance are the issues of effective governance of the development of its constituent entities (85) and municipalities, which are different in size, population number, resource potential and economic development: Russia, the largest country in the world (as of January 1, 2019, there 21,501 municipal institutions, including 1,731 municipal regions, 611 urban districts, 3 urban districts with internal urban division). The importance of formation and implementation of the wholesome and systematic federal state regional policy (the RF entities development) and interregional policy (the RF entity's policy on developing municipal institutions) is currently being discussed at the highest level.

Thus, in accordance with the RF President's Decree 13 "On the approval of the fundamentals of the state policy of regional development of the Russian Federation for the period up to 2025" dated 16.01.2017, this policy means the system of priorities, aims, purposes, measures, and actions of federal authorities on political and socio-economical development of the RF entities and municipal institutions. Its key principle is the implementation of incentive measures of regions and municipalities' state support. There is one condition: public federal and local authorities of the entities should self-implement powers, granted by the Constitution of the Russian Federation and federal laws, and differentially approach implementation of state measures in order to support regions and

municipalities according to its socio-economic and geographical features.

Goals of regional development policy are the provision of equal opportunities for implementation of citizen's economic, political, and social rights, granted by the Constitution and federal laws, life quality improvement, the security of sustainable economic growth, as well as scientific and technological region's development, the improvement of country's economy competitiveness on global markets, which should be based on balanced and sustainable socio-economic development of entities and municipalities, and population's maximum involvement in solution of regional and local goals. The list of policy's goals also includes the improvement of mechanisms of RF entities and municipalities stimulation to growing of its own economic potential; clarification of powers of public federal authorities, entities' public authorities of the Federation, and local authorities, improvement of its financial support and the organization of effective execution of the specified powers (with the maximum involvement of the population to participation in the state and municipal management).

The goal of Russia's spatial development, written in "The strategy for spatial development of the Russian Federation until 2025" (approved by the RF Government Resolution 207-r dated 13.02.2019), is the provision of sustainable and balanced country's spatial development, aimed at the reduction of interregional differences

in levels and quality of people's life, and the guarantee of national security. In the context of entities' socio-economic differentiation reduction, there is the principle of differential approach to the selection of directions and measures for state support of socio-economic territorial development in the Strategy. It takes into account demographic situation, peculiarities of the settlement system, the level, and dynamic of economy's development and specific natural conditions.

The importance of systematic state policy formation on territories' development is indicated by many countries. Thus, the following priorities, which touch upon territorial (spatial) development, of European Union's regional policy until 2020 are underlined in the EU key documents [1; 2]: the polycentric and balanced territorial development, the promotion of complex development in cities, rural areas, and certain regions; the consideration of unique characteristics in the development of different rural areas; the development of different types of territorial integration; the provision of the global regional competitiveness on the basis of a strong local economy; the improvement of the territorial connection between individuals, communities, and enterprises; the consideration of environmental, landscape, and cultural values of the regions in the management process. Many foreign scientists [3; 4; 5; 6; 7] review these issues within the process of the country and its regions' spatial development management. Russian scientists focus on different aspects of interregional policy implementation and the management of regions' spatial development. Thus, A.S. Novoselov and co-authors [8] analyzed primary features and implementation

problems of Russia's spatial policy and developed the scheme of the regional spatial development management. They proved that the sectoral approach in the system of management and disposal of public resources requires a significant counterweight in the forms of the system of regional development management and the system of the municipalities in the Russian entities, as well as its associations.

Other domestic scientists review the features of formation and implementation of interregional policy within existing model of federalism in Russia. For example, V.V. Klistorin [9] drew a conclusion about existence of the contradiction between the diagnostic of a regional problem and practical solutions in the given sphere. He also showed that the decentralization of resources, instead of increasing efficiency of the regional economy, would lead to the strengthened position of federal center in decision-making matters. E.M. Bukhval'd [10; 11] pays attention to the necessity of limited inclusion of municipal management link into a single vertical of the country's strategic planning. The author underlines that this initiative stumbles upon economic obstacles in the process of implementation. The primary one is the negative situation with the system of local finances: it is characterized by the deficiency, serious donation dependence, and, as the result, instability and poor predictability of any long-term plans and programs. In the works by A.N. Shvetsov [12], A.Ya. Trotskovskii [13; 14], M.P. Shchetinin [15], T.V. Uskova [16; 17; 18], B.S. Zhikharevich [19], V.B. Zotov<sup>1</sup> and other

<sup>1</sup> The system of municipal management: textbook for universities. Ed. by V. B. Zotov, 4th edition. SPb.: Piter, 2008, 512 p.

scientists [20], the issues of interregional policy are reviewed from the perspective of transformational processes in regions, the formation of a single and coherent system of regions and their municipalities' development management, the system of strategic planning and local self-governance, the mechanism of effective interregional and inter-municipal cooperation. In this article, the regional policy on the development of municipal institutions is seen as the activity of regional authorities on defining and implementing goals and priorities of the territorial development, the mechanism of stimulation, support and promotion of the municipalities' development in order to ensure comprehensive and sustainable development of the region.

At the same time, the development of methodological tools for assessing the efficiency and the analysis of the peculiarities of the implementation of interregional policy in each particular entity of the Russian Federation (including its conceptual reflection in the Strategy of the Russian Federation's entity development) remain unresolved issues. Finding a solution to these problems became the goal of this article.

#### **Description of the research methodology and the reasons for its selection**

We used methods of economical, statistical, and comparative analysis, methods of synthesis and the expert survey, and the monographic method to achieve the discussed goal. The methodological basis included the works of domestic and foreign economists studying regional economy, public and municipal management.

As the conducted analysis has shown, the existing methodologies for assessing the effectiveness of regional policy aimed at territory's development could be divided into

two groups. The first group allows assessing the efficiency of regional territory's management; the second group – the efficiency of regional authorities functioning, including the assessment of management efficiency in one sphere or another: budgetary, investment, tax, social, economic, natural, etc.

The efficiency of interregional policy is manifested in the extent to which the actions conducted by relevant organizations implementing it, and in the spheres of inter-budgetary relations and stimulation of the municipalities' development, lead to the improving parameters of socio-economic territorial development, and raise the quality of the provision of public and municipal services.

In GOST R ISO 9000-2015 “The systems of management quality: basic provisions and vocabulary”, the following definitions are given: quality is the degree of compliance of the set of object's inherent characteristics with the requirements; efficiency is interrelation between achieved results and used resources; effectiveness is the degree of planned activities' implementation and planned results' achievement. At the same time, it is quite difficult to assess the effectiveness, or efficiency, of public policy: it is caused by the difficulty of assessing specific final result of its implementation, formed under the influence of various resources, factors and authorities' actions on different levels (federal, regional, local). The quality of public policy is the most difficult to assess because it is an integrated feature. In this regard, various indirect indicators and/or the results of expert assessments (sociological surveys), which are carried out by various state and non-state structures, are used to assess the effectiveness of the state policy implementation or authorities' activities.

During the survey, which has been conducted by the VolRC RAS in the Vologda Oblast since 2007<sup>2</sup>, heads of municipalities were invited to answer three questions about the efficiency of cooperation between regional, municipal authorities, and their actions for the territories' development. It is obvious that such surveys in the RF entities and the use of their results will help make a general assessment of the regional policy effectiveness in the process of municipalities' development [21]. We used the following research algorithm: 1) each answer option has a score (from 0 to 2, or 3), corresponding to the degree of specific component of the efficiency; 2) the average score for each efficiency component is determined by, first, multiplying the proportion of those who chose particular answer option and the score of this option, and, second, summing the obtained values for the answer options; 3) based on the average score, the level of specific efficiency component is determined. Respectively, the assessment is carried according to three components of efficiency: 1) efficiency and effectiveness of interaction between public authorities and local governments; 2) efficiency of regional authorities' actions aimed at supporting municipalities; 3) efficiency of sectoral regional policy.

It should also be noted that the basic principles, directions and mechanisms of spatial and territorial development management of the region should be conceptually reflected

<sup>2</sup> To research the problems and perspectives of the reform of local self-government, Vologda Research Center of the Russian Academy of Sciences (VolRC RAS, previously – ISEDT RAS), since 2007, conducts a questionnaire survey of the heads of municipalities of the Vologda Oblast. 30-40 questions of the survey are annually answered by 160-210 heads of municipal institutions (out of 218-372), which allows 4-5% sampling error. The heads provide an assessment based on the results of the previous calendar year: for example, the 2018 survey is based on the results of 2017.

in its socio-economic development strategy. Therefore, it is important to conduct a scientific analysis of these documents in order to state the availability of relevant information and sections in these papers.

B.S. Zhikharevich [19], a famous Russian specialist on strategic planning, suggests methodological approach to assessing the quality of spatial factor reflection in regional strategies (the methodology of the identification of interrelation between strategic planning and territorial development of regions; according to it, 19 federal subjects were analyzed with the purpose of identifying consistency of the valid documents on socio-economic and territorial planning). By relying on the ideas of the scientist, we propose three criteria that show the presence of spatial and territorial aspects in the Strategies of socio-economic development of the RF entities: the analysis of the current situation, conceptual provisions, and the guidelines for the municipalities' development.

### **Results, analysis, and explanation of obtained data**

By relying on the provisions of the discussed approach to the analysis and assessment of interregional policy, we first present the results of the analysis of the current strategies of socio-economic development which function in the Northwestern Federal District's entities (NWFD). The purpose is the identification of spatial and territorial aspects inside of them (*Tab. 1*).

In the most strategies of NWFD entities, which were analyzed, spatial (territorial) aspects are reflected only partially: it usually does not include any detailed qualitative and systematic analysis of municipal regions and urban districts' development, clear guidelines, priorities, directions and mechanisms, development institutions. "The strategy for socio-economic development of the Republic of Karelia for the

Table 1. The presence of spatial and territorial aspects in the strategies of socio-economic development of the subjects of the Northwestern Federal District

RF entity	Criterion 1*	Criterion 2*	Criterion 3*
Republic of Karelia	+ (a detailed analysis of spatial development of a region and key indicators of municipalities is presented)	+ (a separate strategic direction – “Sustainable spatial development”, zoning, pivotal zones, growth points, specialization and brands of municipalities, single-industry towns, rural areas, strategic directions of development of regions and urban districts)	+ (clusters, SEZ, investment projects within regional context, TLC, Development Corporation and Center of cluster development)
Komi Republic	+ (typology, integrated evaluation and specialization of municipal areas and urban districts, territories, zones of priority development)	+ (section “Balanced developed space of life and business”, basic complexes in municipal economy; single-industry towns, prospects of individual municipalities development, growth points)	+/- (clusters, TASED, TLS)
Arkhangelsk Oblast	- (only some features of regional districts’ development in area of education are presented)	+ (zoning, rural areas as growth points)	+/- (clusters, TLC)
Nenets Autonomous Okrug	+/- (features of spatial development of the district, differentiation of separate indicators on municipalities and their specialization is shown)	+ (section “Main directions of spatial development of Nenets Autonomous Okrug Districts”, zones, development corridors, centers of economic growth, priorities of development of municipalities, prospects of fusing settlements, transport and infrastructure)	+/- (clusters, TASED, investment projects within regional context)
Vologda Oblast	+/- (some intermunicipal differences and some problems of spatial development are shown)	+/- agglomerations, inter-district centers, single-industry towns and rural areas	+/- (clusters, TLS, TASED)
Kaliningrad Oblast	+/- (there are only few examples of information on certain areas of regional economy with mentioning municipal districts, urban districts)	+/- (section “Spatial development of the Kaliningrad Oblast”, development centers, priority directions of development of municipalities, functional zoning, industrial zones)	+/- (clusters, SEZ)
Leningrad Oblast	+/- (imbalances in the development of districts of the Oblast, their current specialization)	+ (section “Territorial development of the Oblast”, maps on main parameters of development, specialization of municipalities, territorial priorities); draft of Strategy (section “Spatial development of the Oblast”, zoning of territories and regional policy priorities for each zone)	+/- (clusters, science cities, projects within regional context)
Murmansk Oblast	-	+/- (designated pivotal centers of the settlement system, directions of individual districts of the Oblast development)	+/- (clusters, TASED, SEZ, TLC, TLS, projects within regional context)
Novgorod Oblast	-	+/- (section “Main directions of spatial development of the Oblast”, industrial and investment sites, single-industry towns)	+/- (clusters, SEZ, TASED, TLC, strategies for the development of groups of regions and urban districts)
Pskov Oblast	-	+/- (section “Development of spatial organization of the Oblast”, formation of network structure, settlement system, growth points)	+/- (clusters, TLC, SEZ)

End of Table 1

RF entity	Criterion 1*	Criterion 2*	Criterion 3*
Saint Petersburg	+/- (section "Spatial and territorial development")	+/- (task "Implementation of optimal model of spatial development", centers of economic activity, agglomeration)	+/- (clusters, SEZ, TLC)
<p>Symbols: «+» – the parameters for this criterion are presented in detail in the Strategy; «+/-» – the parameters for this criterion are not fully presented (fragmentary); «-» – parameters for this criterion are not presented.</p> <p>* The presence of spatial (territorial aspects) in the analytical part (analysis of the situation in municipalities, the development of agglomeration processes, maps, etc.).</p> <p>** The presence of territorial priorities, guidelines for the development of municipalities (corridors, zones, axes, poles of development; support framework of development; support areas; promising specialization of municipalities, zoning of the region; development of agglomerations, single-industry towns, rural areas, etc.).</p> <p>*** Institutions, tools of spatial development (clusters, zones of territorial development – ZTD, territories of advanced socio-economic development - TASED, free, special economic zones – FEZ, SEZ; projects linked to the territories; coordination of urban construction policy; transport and logistics hubs (centers, complexes) – TLH, TLC (transport and logistics center), TLC (transport and logistics company); special organizations responsible for spatial development, etc.).</p>			

period up to 2030" (adopted by the Republic of Karelia Government Decree No. 899-r dated 29.12.2018), has the highest quality in terms of the reflection of these aspects. Thus, it is necessary to adjust these strategic documents in terms of a more detailed and qualitative reflection of spatial and territorial aspects. Besides, these documents need to be brought into coordination with goals and objectives, outlined in "The strategy for spatial development of the Russian Federation until 2025".

Next, let us overview features and problems of interregional policy implementation on the materials of the Vologda Oblast. In Particular, key problems of municipal institutions development.

The results of surveys, which are conducted annually by VolRC RAS employees among heads of Oblast's municipal institutions, show that main problems of their development has not changed in the last 10 years: insufficient financial resources (deficit of own revenue sources, lack of financial support from the government); imperfection of the law in terms of issues concerning functioning and development of municipal authorities; inactivity of local population and the lack of mechanisms

which would balance the interests of business, government, and the population in the process of the territory's development; non-efficient interaction with public authorities (dependence on regional governments, bureaucracy, lack of coherence in program documents); limited powers of a municipality in terms of economic development.

As for the situation with local budgets, it is possible to note that budgetary provision, in comparison with 2006, increased in all municipal regions and urban districts in 2017 (tax and non-tax revenues of their budgets per 1 resident), not including Vologda (average districts' growth – in 4.2 times) (*Tab. 2*). In many ways, it is caused by the fixation of additional standards of deductions from personal income taxes in districts, and transfer of the transport tax and a number of excises to local budgets. As a result, the share of own (tax and non-tax) revenues in the total volume of revenues increased across all regions of the Oblast in this time period (average number in regions – by 18.5 p. p.). At the same time, in Belozersky District, in the cities of Vologda and Cherepovets, the budget provision in comparable prices decreased (the rates of budget revenues growth became lower than

Table 2. Budget provision with tax and non-tax revenues of the district budget (urban district) per resident

Municipal district, urban district	2006		2009		2017		2017 to 2006	
	Value, thousand rubles	Share*, %	Value, thousand ruble	Share*, %	Value, thousand ruble	Share*, %	Value., times**	Share*, p.p.
Nyuksensky	2.4	16.4	3.5	17.6	20.0	50.2	8.23 (3.38)	33.8
Mezhdurechensky	1.5	8.5	3.0	13.0	15.7	40.2	10.42 (4.27)	31.8
Tarnogsky	1.9	14.2	3.8	18.7	13.5	40.1	7.25 (2.98)	25.9
Syamzhensky	1.6	11.9	3.0	16.1	12.3	42.9	7.52 (3.08)	31.1
Vashkinsky	1.9	12.4	2.4	11.9	12.0	32.8	6.43 (2.64)	20.4
Totemsky	2.5	19.5	3.4	21.5	11.6	41.1	4.60 (1.89)	21.7
Kirillovsky	2.6	20.7	4.0	21.3	11.5	28.4	4.48 (1.84)	7.7
Verkhovazhsky	1.6	14.1	2.3	13.1	11.3	43.0	7.24 (2.97)	28.9
Cherepovetsky	2.4	23.9	3.5	23.0	11.2	49.1	4.75 (1.95)	25.2
Vytegorsky	2.0	19.7	3.0	18.5	11.2	40.9	5.61 (2.30)	21.2
Kichmengsko-Gorodetsky	1.4	12.8	2.2	13.0	9.8	31.4	6.80 (2.79)	18.6
Chagodoshchensky	2.4	16.9	3.7	20.6	9.7	38.1	4.12 (1.69)	21.2
Babushkinsky	1.3	11.3	6.2	26.2	9.1	28.0	6.82 (2.80)	16.7
Gryazovetsky	2.3	22.8	3.7	22.6	9.0	41.5	3.96 (1.63)	18.7
Vologodsky	2.0	20.4	2.8	19.3	9.0	50.2	4.44 (1.82)	29.8
Ust-Kubinsky	2.3	10.7	6.5	20.0	9.0	29.9	3.83 (1.57)	19.3
Sheksninsky	3.2	31.8	6.5	27.5	8.8	50.0	2.73 (1.12)	18.2
Babayevsky	2.6	21.5	7.3	31.4	8.5	35.5	3.26 (1.34)	14.0
Vozhegodsky	1.6	12.2	2.2	11.3	8.3	41.2	5.21 (2.14)	29.1
Kaduysky	2.6	19.8	3.9	19.1	7.8	36.2	3.02 (1.24)	16.4
Nikolsky	1.2	10.8	2.3	15.1	7.7	29.5	6.68 (2.74)	18.7
Sokolsky	2.5	26.5	3.1	21.8	7.4	39.9	2.95 (1.21)	13.3
Kharovsky	1.7	15.1	2.3	10.7	7.4	30.0	4.23 (1.74)	15.0
Ustyuzhensky	1.3	9.1	3.1	15.9	6.9	30.3	5.47 (2.24)	21.2
Belozersky	2.9	21.7	2.7	15.4	6.9	29.6	2.39 (0.98)	7.9
Velikoustyugsky	2.5	22.4	3.3	19.6	6.3	22.9	2.49 (1.02)	0.5
Vologda	12.6	70.2	10.3	68.4	8.6	42.4	0.69 (0.28)	-27.8
Cherepovets	10.0	62.5	10.2	58.1	10.1	47.7	1.01 (0.41)	-14.8
By district	2.2	18.9	3.6	19.9	9.2	37.4	4.21 (1.73)	18.5
By Oblast	6.6	46.7	6.9	40.2	9.3	41.2	1.40 (0.57)	-5.5

\* Share of tax and non-tax revenues of the budget of a municipal district (urban district) in total revenues.  
\*\* The growth rate of the indicator in comparable prices (taking into account the consumer price index for the Oblast) is presented in brackets.

the rates of inflation). In 2006 and 2017, the share of own budget revenues did not exceed 50% in all the regions of the Oblast. Moreover, the most significant decrease happened in Vologda and Cherepovets (by 27.8 and 14.8 p.p. respectively).

The problem of interregional socio-economic differentiation is also relevant for the region (*Tab. 3*).

The biggest differences between districts of the Vologda Oblast are observed in the volume of output (shipment) of industrial products per resident. In comparison with 1996, the regional differentiation in terms of agricultural production became two times bigger as well.

Differences between them in the amount of average monthly wages (in 2 times in 2017) became less than amount of differences in 2005

Table 3. Proportion of maximum and minimum values of key indicators of social and economic development of the Vologda Oblast's municipal districts, times

Indicator	Year							
	1990	1995	2000	2005	2010	2015	2016	2017
Volume of industrial production per resident	16.2	368.7	100.4	69.1	507.5	29.3*	33.5*	29.8*
Volume of agricultural production per resident	-	10.1**	9.2	18.1	19.8	18.1	19.8	18.9
Volume of investments into fixed capital per resident	7.1	7.3	7.8	40.9	50.4	52.1***	13.0***	389.5***
Average monthly nominal accrued salary	1.3	2.2	2.2	1.6	1.6	1.8	2.0	2.0
Retail turnover per resident	1.3	3.1	2.3	2.8	1.8	2.1	2.0	2.1
Availability of doctors per 10,000 population	2.3	2.7	3.0	3.5	3.0	2.5	2.7	3.2

\* Data on the volume of industrial production was absent in official 2015-2017 statistical reports, so, for these years, data on shipments of own production goods, works and services are provided (excluding the production capacity of small businesses).  
\*\* Data for 1996 are presented.  
\*\*\* Without small businesses.

(2.8 times). Significant differences in terms of availability of doctors for population remain (2.7–3.2 times). On the basis of the conducted analysis, we may conclude that there was a strengthening of interregional differentiation. In some cases, it could be called critical. It causes the necessity to develop and implement the mechanism of differentiation regulation within interregional policy [22].

Let us switch to the analysis of the efficiency of regional policy on the development of municipal institution in the Vologda Oblast implementation. First of all, primary activities of regional public authorities to support and strengthen their financial and economic independence in 2012–2018<sup>3</sup>.

1. In order to enhance the development of the region as a whole and municipalities in particular, as well as to increase their investment attractiveness, the Development Corporation was established in the Vologda Oblast in 2012.

The Coordinating Council has also been established for the development of the investment potential of municipalities, and investment commissioners of regions and districts have been appointed. The goals

<sup>3</sup> Compiled on the basis of information taken from the official portal of the Government of the Vologda Oblast. Available at: <https://vologda-oblast.ru/>.

of commissioners include: the analysis and the forecast of the certain municipal territory development, the monitoring and preparation of investment passports, provision of legal, methodological and practical help to the investors in projects' implementation. Investment passports, investment, tax maps of municipal regions and districts were developed. Krasavino, Sokol, and Cherepovets, as well as Sazonovo settlement, were included in the federal list of single industry towns. Also, the complex measures of their modernization, in order to, possibly, attract fund from federal budget, were developed. On August of 2017, Cherepovets received the status of the territory of the advanced socio-economic development (TASED).

2. An interdepartmental working group was formed at the regional Department of Finance. The purpose of it is to search for reserves to attract revenues into the regional and local budgets and interdepartmental working groups in order to reduce wage arrears and its legalization. In terms of strengthening the financial and economic foundations of the regional municipalities, the replacement of some subsidies in order to equalize the level of budget provision with additional standards of the personal income tax deductions is being

carried out. For example, in 2015, instead of subsidies, municipalities were given more than 3.1 billion rubles from personal income taxes. As the result, half of the regions achieved non-subsidized levels. Measures to stimulate the growth of the revenue potential of local regional budgets are also being taken: its own revenue base exceeded the level of the pre-crisis year of 2008 by 1321.4 million rubles, or 11.6 %, in 2013.

3. In order to respond to the socio-economic situation in the municipalities on time, a supervisor from the regional Government was assigned to each urban district and municipal region of the Oblast.

4. The implementation of project on optimization of the Oblast's municipal-territorial structure was commenced in 2012 (a fusion of settlements in Kichmengsko-Gorodetsky, Nikolsky, Cherepovetsky, Sokolsky, Gryazovetsky, and Vytegorsky districts). The number of settlements decreased in 2013: in Kichmengsko-Gorodetsky – by 10, in Nikolsky – by 3, in Gryazovetsky, Sokolsky, and Cherepovetsky – by 1. In 2014–2018, the fusion of settlements was conducted in other regions of the Oblast. The departments of domestic policy and finances developed maps of municipalities: investment (the list of implemented and suggested projects was defined) and tax (the assessment of tax potential was conducted, major taxpayers to local budgets were identified), investment passports of regions and urban districts were prepared.

5. The sub-program “Development of local self-government in the Vologda Oblast” of the state program “Strategy of socio-economic development of the Vologda Oblast for the period until 2020” implies the provision of inter-budgetary transfers to the winners of the competition “The best settlement of the

Vologda Oblast”, to the best municipalities defined after the efficiency assessment of local authorities' activities; to settlements which participate in the fusion processes; awards (grants) to the winners of the projects “The Governor's team: municipalities” and “The best village head of the year”.

6. An annual monitoring of local authorities' efficiency, in accordance with the RF President's Decree no. 607 dated 28.04.2008, is conducted and grants are given to the best municipalities. An annual competition for the best settlement of the Vologda Oblast is held, its winners (5 in each of 4 nominations) are given grants for site improvement and strengthening of the material basis.

7. The project “The Governor's team: Your assessment” was being implemented from 2013 to 2018. The point of the project is that the results of authorities and heads of municipalities' work are publicly assessed by people and experts after looking through the reports. The Governor of the Oblast, or his deputies, participates in the public defense of reports. All the reports could be freely found on the website of the Governor. A blank assessment of the work of the heads is organized in each region and urban district (residents may fill out relevant ballots, which are placed in various organizations of the municipality). Their work is assessed according to the results of public reports and expert commissions, which include representatives of various public organizations, business, public authorities and scientific (educational) institutions. The Governor's website contains the results of all assessment types, as well as the average scores, which both define the rating (ranking) of the heads. This process helps find shortcomings in the work of heads of municipalities and develop a detailed plan for raising the efficiency of their work.

8. Since 2018, at the initiative of the Governor of the Vologda Oblast, a new format of interaction with municipalities has been in the focus – urban planning councils, where local residents and authorities discuss the most important problems of the territories. After each such council the Governor gives specific instructions for the construction, repair and reconstruction of the road network,

urban infrastructure, health care, education, and culture. In 2018 – beginning of 2019, urban planning councils were conducted by the Governor in all municipal regions and urban districts. Thus, the budget of development emerges: in the following three years more than 30 billion rubles will be put into the construction of infrastructure (roads, bridges, hospitals, kindergartens, water

Table 4. Amount and volume of infrastructural development objects funding according to decisions of urban planning councils in municipal areas and city districts of the Vologda Oblast

Municipal district, urban district	Number of objects*	Out of these, objects of road network*	Number of completed objects at the end of August 2019*	Total investment volume in urban planning council's objects*, million rubles	Investment volume in objects of urban planning councils per 1 resident, thousand rubles	Investment volume in fixed capital**, million rubles
Babayevsky	14	7	4	1787.2	93.2	6639.2
Babushkinsky	14	4	4	1824.9	159.1	94.1
Belozersky	14	5	5	763.3	52.6	673.2
Vashkinsky	12	2	7	141.4	21.4	199.6
Velikoustyugsky	6	0	1	2385.7	44.4	789.9
Verkhovazhsky	8	2	2	1158.5	90.9	185.5
Vozhegodsky	18	5	5	497.0	34.5	120.6
Vologodsky	41	18	13	1247.6	23.9	7505.5
Vytegorsky	12	3	5	1597.0	66.8	687.9
Gryazovetsky	15	1	0	1232.9	38.3	7732.7
Kaduysky	15	4	5	1068.7	64.1	4647.8
Kirillovsky	13	6	8	425.9	29.0	301.5
Kichmengsko-Gorodetsky	11	5	2	681.2	44.3	184.9
Mezhdurechensky	4	1	1	327.2	61.3	2138.2
Nikolsky	6	3	3	1104.5	56.4	117.4
Nyuksensky	17	5	1	354.6	42.4	1318.4
Sokolsky	10	2	1	1141.8	23.7	3101.4
Syamzhensky	11	5	3	144.1	18.0	84.4
Tarnogsky	9	3	3	235.5	21.0	76.4
Totemsky	12	7	5	182.2	8.2	8064.9
Ust-Kubinsky	8	3	5	400.6	53.4	21.4
Ustyuzhensky	4	1	1	61.8	3.7	46.4
Kharovsky	9	2	4	971.7	70.7	401.7
Chagodoshchensky	13	4	4	440.6	37.4	57.3
Cherepovetsky	23	13	5	2277.9	59.1	5461.2
Sheksninsky	15	2	4	1101.3	32.9	8216.0
Districts' total	334	113	101	23555.1	44.3	58867.6
Vologda	23	4	4	12938.9	40.6	22429.0
Cherepovets	10	2	1	26935.3	85.1	38832.6
Oblast's total	367	119	106	63429.3	54.3	120129.2

Sources: compiled on the basis of:

\* The official portal of the government of the Vologda Oblast. Available at: <http://vologda-oblast.ru/municipality/>

\*\* Official portal the Federal State Statistics Service of the Vologda Oblast. Available at: <http://vologdastat.gks.ru>

supply facilities). In total, as a result of these events, almost a thousand orders were issued in the areas of capital construction, repairs, reconstruction, development of design and estimate documentation, examinations and surveys<sup>4</sup>.

Primary results of the instructions' implementation within urban planning councils are presented in *Table 4*.

It should be noted that the urban planning councils adopted 367 decisions on major projects concerning construction, reconstruction or modernization of social and engineering

infrastructure in regions and urban districts of the Vologda Oblast. The completion of most projects is expected to be completed in 2019 and completion of large-scale objects - in 2020–2024. The volume of investments in these projects will be 63.4 billion rubles in total, which is more than half of the total investment in the economy of the Oblast in 2018. In some areas the volume of investments within the decisions of the urban planning councils is several times higher than the annual volume of investments. *Table 5* shows the attitude of the Vologda Oblast's population toward urban planning councils.

Table 5. Attitude of Vologda Oblast residents to conducting urban planning councils in districts and urban districts in 2018-early 2019 under the direction of the Governor of the Vologda Oblast

Answer option	Vologda	Cherepovets	Districts	Oblast
<b>Do you know about work of urban planning councils, conducted in your district, under the initiative of O.A. Kuvshinnikov - the Governor of the Oblast?</b>				
Yes, I am well familiar with it	7.3	2.0	5.3	4.9
I heard something	28.3	23.1	29.8	27.6
No	63.8	74.4	64.0	66.7
<b>How do you generally assess the efficiency of urban planning councils conducted in your city (district)?</b> (% from the number of those who know or heard something about it)				
Efficient, and rather efficient	40.8	52.5	53.9	49.8
Inefficient, and rather inefficient	28.9	28.7	15.9	22.3
It is difficult to respond	30.3	16.8	29.8	27.3
<b>Are you ready to take part in the work of urban planning councils?</b>				
Yes, and rather "yes" than "no"	11.3	6.0	8.0	8.3
No, and rather "no" than "yes"	78.0	84.8	76.8	79.3
I hesitate to respond	10.8	9.2	15.2	12.4
<b>If you are ready to take part in the activities of urban planning councils, what issues of infrastructural development in your city (district) would you like to discuss? (% from the number of those who are ready to participate).</b>				
Healthcare	46.7	41.7	57.1	50.4
Housing and communal services	44.4	25.0	48.2	42.4
Education	46.7	37.5	25.0	35.2
Roads and transport infrastructure	24.4	29.2	35.7	30.4
Physical education and sports	35.6	0.0	30.4	26.4
Culture	24.4	12.5	21.4	20.8
Communication and telecommunications	11.1	4.2	5.4	7.2
Other	2.2	0.0	3.6	2.4
Note. A questionnaire survey of residents was conducted by VoIRC RAS in the third quarter of 2019 in Vologda, Cherepovets, in Babayevsky, Velikoustyugsky, Vozhegodsky, Gryazovetsky, Kirillovsky, Nikolsky, Tarnogsky, and Sheksninsky districts (the method of the survey – questioning at the place of residence). The sample is quota-based which keeps sex and age representation. Sampling error does not exceed 3%.				

<sup>4</sup> The official portal of the government of the Vologda Oblast. Available at: <https://vologda-oblast.ru/>

Many residents of the Vologda Oblast (67%) are not familiar with the work of urban planning councils. But those who heard something about this way of interaction between public authorities, local authorities, and population actually point out the efficiency of these councils (50% of respondents). However, the majority of respondents (79%) are not ready to participate in them. Priority issues, according to population of the Oblast, which should be discussed at urban planning councils, are the development of healthcare, housing, education, road and transport infrastructure.

Next, we turn to the results of assessing the effectiveness of regional policy for the development of municipalities based on the answers to the questionnaires given to the heads of municipalities of the Vologda Oblast.

As revealed, the greatest impact on the development of the municipality is provided by regional (indicated by 75% of heads of municipal districts, 80% – heads of urban settlements, and 70% – heads of rural settlements) and federal authorities (45, 80, and 49%, respectively), as well as local governments (60%, 60%, 47%; *Tab. 6*).

However, in 2017, in comparison with 2006, the number of heads of districts, who indicate a primary part of the population in the development of the municipality, increased. But the paradox remains: many leaders do not

think that they, or business, play a major role in the process of territorial development: the dependence on higher authorities still exists.

In this survey, heads of municipalities were asked a question about the results of cooperation with regional and federal authorities. In 2017, many of them assessed these results as poor and acceptable. The exception was the Department of finances of the Oblast (75% of heads of districts, 50% of urban settlements heads, and 19% of rural settlements heads indicated a high efficiency of interaction with it), the Department of domestic policy of the Oblast (65%, 40% and 25%, respectively), and the Department of construction (60%, 44% and 6%). It should be noted that the majority of heads of settlements think that low level of cooperation is caused by the fact that federal and regional authorities directly interact only with regional administrations. In 2017, in comparison with 2009, the evaluations, given by the heads of urban and rural settlements regarding the actions of the regional public authorities in the sphere of support of municipalities, improved. The share of negative evaluations (answer option “assistance was insufficient”) decreased, respectively, by 27 and 13 p.p. At the same time, positive changes in this sphere are still noticed only by one third of the heads of districts and rural settlements (*Tab. 7*).

Table 6. Distribution of respondents' answers to the question: “Who, in your opinion, is mostly responsible for the development of your municipality?” (% of respondents)

Answer option	Municipalities					
	<i>municipal districts</i>		<i>urban settlements</i>		<i>rural settlements</i>	
	2006	2017	2006	2017	2006	2017
Public authorities of the region	62.5	75.0	58.3	80.0	44.9	69.9
Local authorities	50.0	60.0	16.7	60.0	16.8	46.6
Private business	12.5	50.0	16.7	20.0	12.1	21.9
Residents	25.0	45.0	50.0	40.0	54.2	57.5
Federal authorities	50.0	45.0	58.3	80.0	42.1	49.3
The head of municipality	12.5	25.0	0.0	20.0	8.4	24.7

Table 7. Distribution of respondents' answers to the question "How do you assess the actions of regional authorities aimed at assisting municipalities in ... year?" (% of respondents)

Answer option	Municipalities								
	<i>municipal districts</i>			<i>urban settlements</i>			<i>rural settlements</i>		
	2009	2016	2017	2009	2016	2017	2009	2016	2017
There was no assistance provided	3.8	0.0	0.0	18.2	0.0	10.0	12.0	19.8	15.1
In general, assistance was inefficient (developed measures were difficult to implement and did not lead to improvements)	19.2	16.7	0.0	27.3	0.0	0.0	21.5	14.3	8.2
Changes have occurred, but they are insignificant	38.5	55.6	70.0	27.3	21.4	50.0	36.1	38.5	39.7
Actions taken have led to improvement of the situation	23.1	22.2	30.0	18.2	57.1	40.0	12.0	14.3	16.4
I hesitate to respond	15.4	5.6	0.0	9.1	21.4	0.0	18.4	13.2	20.5

According to the received data, the heads of municipalities of the Vologda Oblast assessed actions of the Oblast's public authorities as "inefficient" in a number of areas of regional socio-economic policy (more than a third of respondents; *Tab. 8*):

the development of local roads network; the attraction of investments into the economy of the municipality; the modernization of education and healthcare areas; the reduction of unemployment; the support of agricultural production; the promotion of small and

Table 8. Distribution of answers of heads of municipalities to a question: "How would you assess efficiency of actions of the regional authorities carried out within the following areas?" (% of respondents who answered "inefficient")

Area of efficiency assessment	Municipalities		
	<i>municipal districts</i>	<i>urban settlements</i>	<i>rural settlements</i>
Development of local roads' network	66.7	100.0	60.6
Promotion of investment attraction in the economy of the municipality	52.6	87.5	66.1
Modernization of education and healthcare	50.0	66.7	69.8
Reduction of unemployment	47.4	77.8	76.7
Support of agricultural production	47.4	50.0	52.3
Promotion of creation and operation of small and medium businesses	44.4	50.0	45.2
Creation of sustainable interregional cooperative relation	44.4	50.0	70.4
Optimized distribution of powers between regional and municipal authorities	38.9	62.5	61.4
Promotion of housing market and housing construction	36.8	66.7	52.5
Promotion of domestic market expansion for local products	26.3	50.0	37.9
Revision of standards of deductions from regional taxes to local budgets	23.5	77.8	66.7
Development of domestic and inbound tourism	22.2	44.4	25.0
Provision of legal support to municipal authorities	22.2	37.5	38.3
Appointment of a supervisor from regional authorities to each district	21.1	11.1	41.9
Formation of regional road fund	16.7	55.6	48.5
Differentiation of property between municipal formations	11.8	33.3	40.3
Development of forms and mechanisms of support and targeted social assistance to certain categories of population	11.1	50.0	37.7
Examination of municipal legal acts	11.1	11.1	27.0

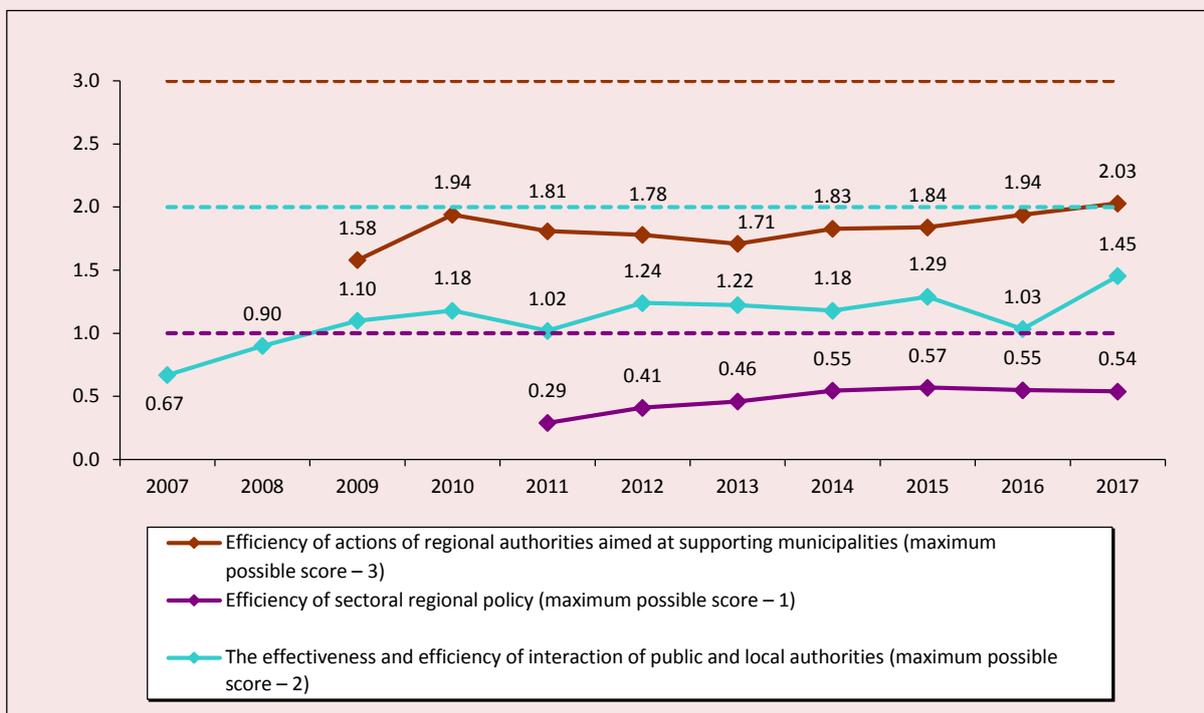
medium-sized businesses' establishment and functioning; the creation of sustainable interregional cooperative relations; the optimized distribution of powers between regional and municipal authorities; the promotion of the housing market and housing construction.

The primary reasons of inefficient cooperation of all public authorities, according to heads' evaluations, are: financial dependence of municipal authorities (it was pointed out by 85% of municipal regions' heads, 40% and 74% of urban and rural settlements' heads); public authorities' lack of information on the real situation in municipalities (55%, 60% and 56%, respectively); inconsistencies in

the system of powers' differentiation (50%, 30% and 43%); a lack of differentiated policy on the territories with varied levels of socio-economic development (50%, 50% and 32%). Heads of urban and rural settlements notice the movement of public authorities toward cooperation with the regions (57% and 33% of respondents). It leads to the inability to timely respond to the settlements' needs, distorts the real situation, limits the equality of rights in municipal institutions.

A point assessment of the efficiency of the regional policy on the development of the Vologda Oblast's municipalities was carried out on the basis of methodological tools described earlier (*Figure*).

Evaluation of efficiency of regional policy on the development of municipalities (on the example of the Vologda Oblast)



Note. Efficiency of sectoral policy and the efficiency of regional authorities' actions – average score across all surveyed municipalities; efficiency and effectiveness of cooperation – score in relation to the Oblast's public authorities on average, according to surveyed heads of municipal districts. Assessment of two types of efficiency is not presented for those years in which the relevant question was not asked. Broken lines indicate maximum possible values of the corresponding type of efficiency.

Conducted calculations show efficiency increase of regional authorities' actions in the sphere of municipalities' support: from 1.58 points in 2009 to 2.03 points in 2017 (high level). The efficiency and effectiveness of cooperation between public authorities and local regional governments increased: from 0.67 points in 2007 to 1.45 points in 2017 (high level). The level of efficient of sectoral regional policy was assessed by the heads of municipalities in 2014–2017 as low: 0.54–0.57 points. It should be noted that the heads of urban and rural settlements more negatively assess the efficiency of interregional policy in the Oblast than the heads of regions. This could be explained by the fact that public regional authorities primarily cooperate with the authorities of urban districts.

At the same time, despite the implementation of measures, concerning the development of municipal institutions, carried out by public authorities of the Vologda Oblast, several problems still exist in interregional policy. First of all, insufficient consideration of the peculiarities of the individual municipalities' development, the presence of bureaucratic obstacles in the interaction between public authorities and local self-government, limited powers of local authorities, etc. As the result, the necessity to correct the Strategy of the Oblast's development until 2030, in order to form systemic regional policy on the

development of municipal institutions, emerges. Besides, key aspects of its improvement might be: the formation of administrative districts on the territory of the RF; the establishment of the coordination council on the development of municipalities; the stimulation of the development of different forms of inter-municipal cooperation; the formation of the optimal municipal-territorial structure, meeting the current economic and social requirements of the regional territorial development. Detailed study of these aspects and scientific justification of legal, organizational, financial, and institutional assistance of the interregional policy implementation are the tasks for further research.

Thus, the contribution of our research, the results of which are presented in the article, to the development of the theoretical science is the justification of the approach to assessing the efficiency of regional policy on the development of municipalities; the contribution to the development of applied science – the assessment of the degree of reflection of spatial (territorial) aspects in the strategies of socio-economic development in the entities of the Northwestern Federal District, the assessment of the features and problems of interregional policy implementation with the example of a certain entity of the Russian Federation (the Vologda Oblast), which will be the basis for determining the areas of policy's improvement.

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Received September 4, 2019.