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## Improvement of the Monitoring System of Socio-Economic Development of Municipality

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### ABSTRACT

The article is devoted to improving the system of monitoring the socio-economic development of a municipality as one of the main management tools. The relevance is due to the lack of a unified approach to understanding the management of socio-economic development at the municipal level, the importance of monitoring in this process, as well as the insufficient level of its effectiveness and orientation to the implementation of strategic objectives. The **purpose** of the research is to develop a methodological approach to assessing the socio-economic development of a municipality to ensure effective monitoring in current and strategic management. The **methodological basis** of the article is the method of generalization and comparison, statistical analysis, sociological survey, economic and mathematical modeling and the method of expert assessments. The most common methods of assessing the effectiveness of the management of socio-economic development of municipalities are analyzed in the article, their features and disadvantages are highlighted. The author's approach is proposed, based on the analysis of existing approaches to understanding the category of "municipal formation" and based on the totality of the interaction of four macro-systems (social, economic, municipal establishments, management). In the article sections of the methodological approach to assessment are substantiated and developed, requirements for their implementation are formulated, and approbation is carried out on the example of the municipality "Kirov City". The novelty consists in the proposed methodological approach to assessing the socio-economic development of a municipality, which allows a comprehensive analysis of the results achieved over a long-term period in dynamics, including determining the level of competitiveness of the municipality and public assessment, and monitoring socio-economic development within the selected corridor of sustainable development in the long term. The results can be used by regional authorities and local governments to improve the effectiveness of management decisions, and by local stakeholders (business structures and the local population) to formulate development strategies taking into account trends and prospects for the development of the territory.

**Keywords:** municipal management; socio-economic development; monitoring system; municipality; assessment methodology; strategic management; macro-subsystems; public assessment

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## INTRODUCTION

The system of management of socio-economic development (SED) of municipal entities (MEs), which has emerged as a result of numerous reforms, does not fully meet the requirements of the time and does not demonstrate sufficient efficiency, which has been repeatedly stated by public authorities at the federal and regional levels, by scientists and experts, as well as representatives of the municipal community [1]. Therefore, the improvement of management mechanisms and tools at the municipal level is a relevant research task.

Among the variety of existing tools, the authors believe that the monitoring system of socio-economic development of municipal entities is of particular importance, since the results of its application allow making effective management decisions both in the current and long-term periods, thus forming an institutional basis for managing socio-economic development of municipal entities as a whole.

The present study aims to form a methodological approach to the assessment of socio-economic development of municipal entities, which will ensure effective monitoring of activities in the implementation of current and strategic management.

## PECULIARITIES OF EXISTING METHODOLOGIES FOR ASSESSING THE EFFICIENCY OF MANAGEMENT OF SOCIO-ECONOMIC DEVELOPMENT OF TERRITORIES

To date, science and practice have formed quite a significant number of methods for assessing the effectiveness of management of socio-economic development of territories, based on various approaches and principles. The following can be identified as the most common and relevant for the municipal level:

1. A method of statistical analysis that allows, through the use of various socio-economic indicators, to identify the degree of

changes in the socio-economic development of municipal entities and trends in their dynamics [2], which has been used by Rosstat since 2006 in the formation of passports of municipal entities, which currently contain up to 370 indicators, organised into 18 groups.

2. Expert assessments, which mean that specialists in the field (experts) select and analyse criteria for the effectiveness of local self-government bodies' activities.

3. Public assessments representing the opinion of the population of the territory on the level of socio-economic development of municipalities, as well as on other topical issues [3, p. 61–63].

4. Efficiency assessment methodology approved by the Russian Government Resolution No. 1317 dated 17.12.2012, which provides a list of 14 basic and 27 additional quantitative and qualitative indicators of socio-economic development of municipal entities in the following sections: economic development, preschool education, general and additional education, culture, physical culture and sports, housing construction and provision of citizens with housing, utilities and communal services, organisation of municipal administration.<sup>1</sup>

5. The methodology for calculating the sustainable urban development index developed by the SGM rating agency (Sustainable Growth Management Agency, SGM), developed on the calculation of an integral indicator based on 43 statistics reflecting the development of five major socio-economic blocks: economic development, urban infrastructure, demography, social infrastructure, and ecology.<sup>2</sup>

<sup>1</sup> Resolution of the Government of the Russian Federation of 17.12.2012 No 1317 "On measures to implement the Decree of the President of the Russian Federation of 28.04.2008 № 607 "On assessment of the effectiveness of local government of urban districts and municipal areas". URL: <http://ivo.garant.ru/#/document/70286210> (accessed on 08.07.2023).

<sup>2</sup> S.G.M. Agency LLC (official website). URL: <https://agencysgm.com/ratings/>

6. The CAF methodology (Common Assessment Framework), or “Common Assessment Framework”, which has proven itself in European countries and allows to assess changes in efficiency and quality with the help of the organisation’s employees, service users and society as a whole through self-assessment and involvement of external experts [4, p. 83]. At the same time, the CAF structure is based on 28 indicators and 9 criteria divided into two groups (opportunities and results) [5].

7. EPUS (“Effective Public Service”) methodology, which is an integrated assessment of the state and municipal service based on quantitative and qualitative performance indicators [6, p. 2039].

8. Key Performance Indicator (KPI) methodology, which provides for the development of tools for calculating performance indicators in accordance with the socio-economic development directions, as well as defining the system of responsibility of local self-government bodies for their achievement. [7].

9. The Municipal Governance Index (MGI) is a multi-criteria assessment of the quality of local government used for international comparison of municipalities. [8, p. 36].

All the presented methodologies have certain advantages and can be used to assess socio-economic development of municipal entities under certain assumptions. However, none of them can act as a universal one, because, on the one hand, each of the methodologies meets certain tasks, and on the other hand,— a municipal entity, being a complex socio-economic system, is characterised by the dynamism of development and a large array of indicators, which leads to the need for constant revision of efficiency criteria and the formation of additional evaluation techniques.

Thus, it seems quite reasonable to conclude not about the need for a specific unified methodology for assessing socio-economic development of municipal entities, but about the need to develop a certain methodological approach that takes into

account the specifics of a municipality as a complex system, as well as the peculiarities of the development of a particular territory, taking into account the high level of differentiation inherent in Russia [9] and the interests of its key stakeholders, which are the business and the population.

In order to form this methodological approach, it is advisable to identify and systematise the key shortcomings (and features) of the reviewed efficiency assessment methodologies in order to offset their negative impact. Such shortcomings include:

- lack of a unified point of view on the management process of socio-economic development of municipal entities and their components;
- application of socio-economic indicators that characterise not the direct activity of local self-government bodies, but the results achieved at the expense of higher levels of government and initial conditions;
- high labour intensity of calculations due to a large number of statistical indicators (as well as the use of duplicating factors);
- complexity of objective use of expert and public assessments in monitoring socio-economic development of municipal entities;
- lack of orientation of the existing methodologies for strategic decision-making, as they mainly cover short-term periods of socio-economic development;
- insufficient level of motivation, responsibility, and professional culture in the current management system of socio-economic development of municipal entities, which formalises the monitoring procedure.

### **MUNICIPAL FORMATION AS A COMPLEX SOCIO-ECONOMIC SYSTEM: PECULIARITIES OF MANAGEMENT**

Taking into account the above list of shortcomings of existing methodologies, as well as the goal-setting with regard to the formation of a methodological approach to the assessment of socio-economic development of municipi-

pal entities, it seems necessary to clarify that a municipal entity is understood as a managed complex socio-economic system. This understanding directly affects the statistical base and the directions of assessment, which is a priority in monitoring.

The analysis of the works of domestic and foreign scientists, as well as the existing legal framework has shown that in theory and practice there are several approaches to the interpretation of the category of “municipal entity”.

Within the framework of the first one, which is reflected in the normative-legal acts of the Russian Federation, a municipal entity is considered as an administrative entity with certain territorial characteristics.<sup>3</sup>

Representatives of the second approach V.B. Zotov [10, p. 95], A.E. Leshin, Yu.N. Lapygin [11, p. 6] emphasise the resource component of municipalities, while emphasising that human and financial capital is the system-forming resource.

The third approach, advocated by D.A. Gaynanov [12], V.V. Lukashov [13, p. 14], A.F. Khurmatullina [14], considers municipal entities as a set of socio-economic characteristics that are grouped according to certain characteristics within different spheres and subsystems.

This approach is of the greatest interest for the purposes of organising the monitoring of socio-economic development of municipal entities, as it focuses on the interconnectedness and interdependence of spheres within the system of municipal entities, however, it seems appropriate to consider macro-subsystems as constituent elements of municipal entities. This category is widely used in the implementation of strategic management, being a large constituent part of a complex socio-economic system, distinguished

on a functional-subject basis. A macro subsystem is characterised by its own management process, goals, criteria, and the final result of its activity [15, p. 90–91]. In the context of application of monitoring over socio-economic development of municipal entities as a management tool, it is macro-subsystems with corresponding subsystems in their structure, distinguished in accordance with the subject of management (property, finance) or by sector (construction, industry, education), predetermine the specificity of socio-economic development and management of a particular territory on the basis of their interaction on the one hand, and through the allocation of targets, taking into account the existing conditions — on the other hand.

Within the framework of the formation of a methodological approach to the assessment of socio-economic development of municipal entities, it is necessary to consider the interaction of the four macro-systems:

- *social*, involving the formation of conditions for the comprehensive improvement of the social environment and the development of human capital;
- *economic*, which ensures macroeconomic proportions and covers material production sectors and individual spheres of activity;
- *municipal economy*, which includes infrastructural support for the life of local municipal entities;
- *managerial*, covering the interaction of local self-government bodies, as well as financial relations in the budgetary and property spheres.

The choice of these macro-subsystems is conditioned, on the one hand, by the analysis of the main powers granted to local authorities and the tasks they face, as well as their unification on the functional basis, and, on the other hand, by compliance with the principle of reasonable sufficiency, which, in the context of this study, implies the systematisation of a fairly wide list of powers of local self-govern-

<sup>3</sup> Federal Law of 06.10.2003 No. 131-FL (edited on 10.07.2023) “On General Principles of Organisation of Local Self-Government in the Russian Federation”. URL: [https://www.consultant.ru/document/cons\\_doc\\_LAW\\_44571/](https://www.consultant.ru/document/cons_doc_LAW_44571/) (accessed on 12.07.2023).



ment bodies within the framework of macro-subsystems. The latter, as large units representing, in fact, the key strategic directions of development of any territory, in the context of a particular municipality, are supplemented by individual vectors of development within the framework of long-term planning, for example, an emphasis on ecology in the case of acute problems related to environmental protection in the municipality (in this case, the ecological direction is generally included in the macro-subsystem of the municipal economy within the framework of life safety), or additional emphasis on inter-municipal co-operation, which is especially important when a municipal entity is a potential core or part of an agglomeration and separate development of tools for effective inter-municipal interactions is required (with both inter-municipal co-operation and interaction with higher authorities being part of the management macro-subsystem).

The same applies to the economic specialisation of the territory, which is singled out as a separate direction in order to concentrate the management impact within the framework of strategic management. For example, agricultural, tourism, logistics or innovation components are often prioritised. Taking into account the fact that the proposed methodological approach is considered universal for any municipality, the allocation of other macro subsystems at the monitoring stage does not seem appropriate.

#### **METHODOLOGICAL APPROACH TO THE ASSESSMENT OF SOCIO- ECONOMIC DEVELOPMENT OF A MUNICIPALITY: ESSENCE, STRUCTURE, AND SPECIFICS OF APPLICATION**

Each macro-subsystem contains functional subsystems, which should be characterised by statistical indicators that meet the following requirements [16]:

- completeness and significance;

- internal controllability, which implies the possibility for local self-governments to apply means of influence to achieve the indicators;
- compatibility and reliability, which means the necessity and expediency of using information sources containing objective and unified values of indicators;
- economic feasibility, which means the use of indicators available in statistical and departmental reporting to minimise additional costs;
- strategic orientation, reflecting the need to analyse the socio-economic development of municipal entities over a long-term period (at least ten years).

The given set of requirements is not extensive, but it seems to be minimally sufficient for the formation of the municipal statistical base of the first section of the proposed methodological approach to the assessment of socio-economic development of municipal entities and the information basis for the others. The sources of data are the territorial bodies of the Federal State Statistics Service and the administration of the municipal entity under study. At the same time, statistical indicators are selected from 2 to 6 pieces (quantitative and qualitative) to characterise one subsystem in the context of a large macro-subsystem for a period of at least 10 years in accordance with the following list:

##### **1. Social macro-subsystem:**

- 1.1 Demographic development.
- 1.2 Health care.
- 1.3 Labour resources.
- 1.4. Education.
- 1.5. Culture, arts, and leisure.
- 1.7. Physical education and sport.
- 1.8. Youth and family policy.

##### **2. Economic macro-subsystem:**

- 2.1 Industry.
- 2.2 Investment activity.
- 2.3. Small and medium-sized enterprises.
- 2.4. Consumer market.
- 2.5. Tourism.

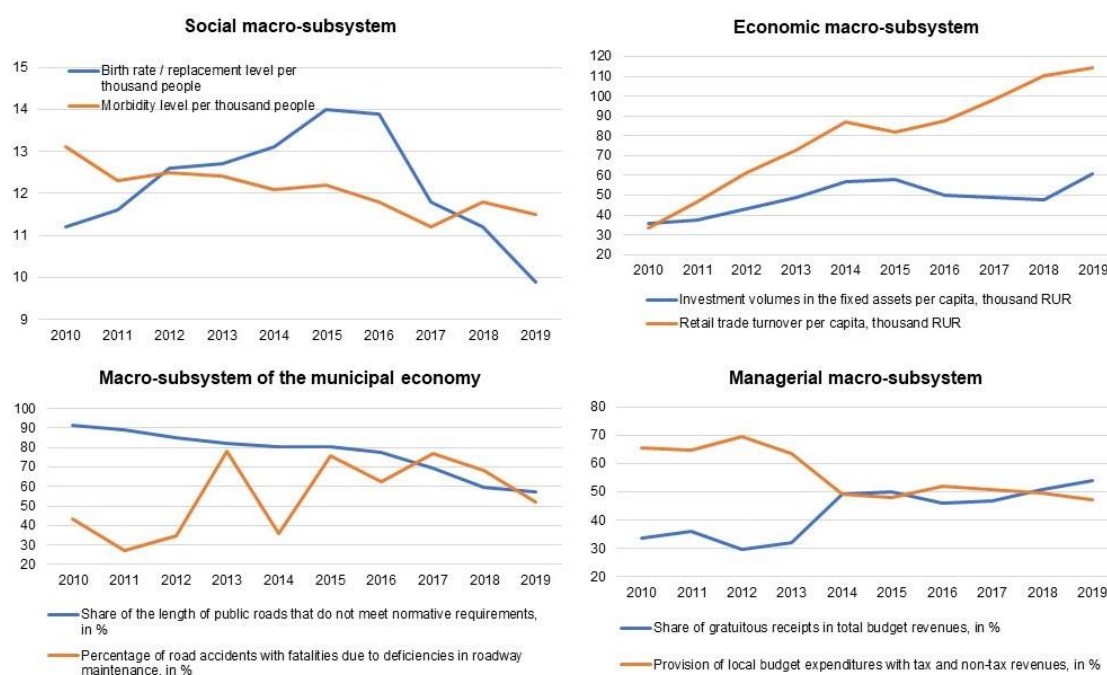


Fig. 1. Fragment of the analysis of trends in the development of macro-subsystems of the municipality “Kirov City” for the period 2010–2019

Source: compiled by the authors.

### 3. Macro-subsystem of the municipal economy:

- 3.1. Housing and public utilities complex.
- 3.2. Construction.
- 3.3. Road and transport infrastructure.
- 3.4. Life safety.

### 4. Managerial macro-subsystem:

- 4.1 Municipal finances.
- 4.2 Municipal property.
- 4.3 Organisation of Municipal Management.

A detailed list, including more than 65 indicators in the context of these functional subsystems, is presented in the study [17] and allows us to get a comprehensive view of socio-economic development over the long term, to identify key trends and problems.

Approbation of the first section of the proposed methodological approach was carried out on the example of the municipal entity “Kirov City” for the period from 2010 to 2019; some of its results are presented in Fig. 1.

The trends of socio-economic development of municipal entity “Kirov City” formed during the ten-year period allowed to identify the key problems presented in Table 1.

An effective monitoring system of socio-economic development of municipal entities should give an idea not only about problems and trends, but also about the position of a given municipal entity among others, which will make it possible to analyse the level of its competitiveness. For this purpose, it is advisable to use both expert and statistical assessments, which meets the requirements of comprehensiveness and complexity.

Expert assessment involves analysing the position of municipal entities in all-Russian ratings in certain areas of socio-economic development; in this case, the comparison of a particular municipality with other municipal entities of Russia is carried out without statistical (additional) analysis. In addition, it is especially important in monitor-

Table 1

## Key problems of the municipality “Kirov City” based on the results of the analysis for 2010–2019

Name of the Macro sub-system	Problems
Social	<ol style="list-style-type: none"> <li>1. Disproportions of the demographic environment (imbalance of sex and age structure, population decline).</li> <li>2. Low level of average monthly nominal accrued wages.</li> <li>3. Reduction in the number of officially employed population.</li> <li>4. High workload of pre-school institutions for children.</li> <li>5. Insufficient number of modern physical training and sports facilities.</li> <li>6. The problem of stability of the family establishment</li> </ol>
Economic	<ol style="list-style-type: none"> <li>1. Relatively low volumes of shipments of own-produced goods and work performed by own forces.</li> <li>2. Low growth rates of investments in fixed assets.</li> <li>3. Insufficient level of innovation activity of small and medium-sized enterprises.</li> <li>4. Disproportions in the location of trade and public catering enterprises in the city.</li> <li>5. Insufficiently developed hotel service on the territory of the city</li> </ol>
Municipal economy	<ol style="list-style-type: none"> <li>1. Deterioration and obsolescence of the infrastructure of the housing and utilities complex.</li> <li>2. Relatively low level of housing provision.</li> <li>3. The problem of road surface quality.</li> <li>4. Increase of crimes committed in urban public places.</li> <li>5. Environmental problems (deterioration of air quality, handling of solid municipal waste, pollution of water bodies).</li> </ol>
Managerial	<ol style="list-style-type: none"> <li>1. Low level of financial independence of the municipal budget.</li> <li>2. High level of municipal debt.</li> <li>3. Comparatively low level of satisfaction of the population with the activities of local self-government bodies.</li> <li>4. Low degree of digitalisation of municipal administration</li> </ol>

Source: compiled by authors.

ing socio-economic development of municipal entities to compare the positions of a municipality in the same rating in dynamics, which makes it possible to see how far this territory of the Russian Federation is ahead of or behind others in terms of the pace of development. In order to correctly select and use all-Russian ratings, the proposed methodological approach should be guided by such requirements as the following:

- openness and comprehensibility of the rating compilation methodology, which implies its public nature;
- reliability and objectivity of the initial data, which implies the priority of choosing those ratings that are based on the materials of state and departmental statistical reporting, as well as official reports of enterprises and organisations, and not only on expert assessments;

- relevance and dynamic nature of rating assessments, which due to the variability of socio-economic processes is expressed in the expediency of using regular ratings;

- the level of reputation of the organisation compiling the rating.

In accordance with the above requirements, the ratings of Russian cities formed during the study period were selected for the assessment of the “Kirov City” Municipality (*Table 2*).

Based on the data contained in *Table 2*, the city lost positions in all ratings, except for one — the environmental one: in most of them the city of Kirov is in the second half of the list, so its position in general can be defined as “average” or “below average”. It should also be noted that the lowest positions of the municipal entity “Kirov City” are observed in the ratings characterising the quality of management organisa-

tion of socio-economic development, which additionally actualises the need to improve management tools, including monitoring tools.

When analysing the competitiveness of a municipality, it is advisable to compare it with comparable ones, which will help to identify its strengths and weaknesses, assess the pace of development and the ability to create the most attractive socio-economic conditions for the population and business in relation to similar governments. At the same time, the number of population, which is the basis for the traditional hierarchical classification of municipal entities, should be used as a criterion of “comparability” [18].

The socio-economic development of municipal entities should also be considered in dynamics for the period similar to that used in the first section of the methodological approach (consisting in the assessment of quantitative

and qualitative indicators of socio-economic development), in the main areas that characterise the key factors of the quality of life in the municipality: 1. Demographic processes (natural increase rate). 2. Migration attractiveness (migration growth rate ratio). 3. Housing conditions of the population (housing provision per capita). 4. Labour remuneration (average monthly nominal accrued salary of employees of organisations). 5. Investment attractiveness (volume of investments in fixed capital per capita). 6. Business environment (shipped goods of own production and works performed by own forces per capita; volume of retail trade per capita). 7. Budgetary capacity (budget revenues per capita; budget expenditures per capita).

When selecting indicators, the advantage was given to the average per capita indicators as they reflect to the greatest extent the change in socio-economic characteristics of the “aver-

Table 2

#### Position of the municipality “Kirov City” in the Russian ratings for the period 2010–2019

Name of the rating	Year of rating formation	Place of the municipality “Kirov City”	Total number of cities in the rating
Integral rating of the 100 largest Russian cities	2010	36	100
	2019	43	
Rating of sustainable development of Russian cities	2013	46	173
	2019	99	185
Rating of Russian cities by salary level	2018	68	100
	2019	70	
Environmental rating of Russian cities	2013	24	87
	2017	14	103
Rating of cities by quality of life	2018	24	78
	2019	70	
National rating of mayors of cities	2014	67	78
	2019	79	88

Source: compiled by the authors.



age” citizen in comparable municipal entities. In addition, taking into account the problem of information and statistical support of municipal entities, the proposed list seems to be optimal.

To assess the competitiveness of the municipal entity “City of Kirov”, Russian cities with a population of 500–700 thousand people with the status of the administrative centre of the constituent entity of the Russian Federation (the city of Kirov belongs to this group) were se-

lected. According to the results of the analyses carried out in 2010 and 2019, they were ranked in terms of each of the indicators under study. The final ranking by the sum of places is presented in *Table 3*.

The positions of the municipal entity “City of Kirov” among comparable cities for ten years decreased by four points in terms of average monthly nominal accrued wages (16th place by the results of 2019 is characterised as an

Table 3

**The Results of the final competitiveness rating of cities-administrative centers with a population of 500–700 thousand people**

Name of the city	Place in the final ranking	
	2010	2019
Lipetsk	4	1
Orenburg	6	2
Irkutsk	2	3
Vladivostok	15	4
Tomsk	9	5
Kemerovo	7	6
Yaroslavl	10	7
Ryazan	1	8
Novokuznetsk	3	9
Kirov	11	10
Khabarovsk	5	11
Astrakhan	8	12
Izhevsk	16	13
Barnaul	13	14
Penza	17	15
Naberezhnye Chelny	12	16
Ulyanovsk	18	17
Togliatti	14	18
Makhachkala	19	19

Source: compiled by the authors.

extremely low level) and by three points in terms of investment in fixed assets per capita. Negative trends were also observed in the budget sphere: a decline in the city's position in the level of budget revenues per capita and stagnation in the expenditure part (11th place). Stagnation was also observed in the indicator of shipped goods of own production and works performed by own forces per capita.

Positive trends among comparable municipalities "City of Kirov" in 2019 demonstrates in terms of demography (moving from 13th to 9th position) and migration attractiveness (moving up 2 positions to the 2nd place among 19 cities with a population of 500–700 thousand people).

Thus, according to the results of the assessment of competitiveness with cities with similar parameters of development, the Municipality under consideration turned out to be on the middle positions, taking the 10th place by the end of 2019. At the same time, according to the totality of the analysed indicators, it has increased its position for 10 years by only one point, which indicates the lack of high rates of socio-economic development.

The focus on the active involvement of civil society and business structures in the process of local self-governance, as well as the target setting of socio-economic development of municipal entities management to maximise the satisfaction of the needs of the population and business predetermines the need to take into account the opinion of local stakeholders when monitoring socio-economic development of municipal entities. Accordingly, the methodological approach to the assessment of socio-economic development of municipal entities should include a section containing the assessment of public opinion.

The classical method of its determination is a sociological survey, which allows not only to identify the opinion of residents on certain problems of the territory, but also to determine the level of their awareness of the activities of

local government in general, which itself is indirectly a managerial toolkit [19].

There are various forms of conducting sociological surveys, but in the conditions of development of modern information and communication technologies online surveys are gaining popularity, one of which was implemented in the Municipality "Kirov City" on the platform of the city administration website.

More than 3000 respondents took part in the survey, 63% of them — women and 37% — men. The questions related to the efficiency of functioning of the Municipality macro-subsystems and public satisfaction with living conditions in the city as a whole. Slightly more than half of the respondents (51%) reported that they like living in the city of Kirov, but 37.5% noted that the quality of life had deteriorated over the past five years, and 34.6% — that it had not changed. At the same time, the majority of citizens (more than 70%) assessed the socio-economic situation negatively. As the key problem 75.7% of respondents indicated limited opportunities to find a suitable job and low wages in the area.

Such public sentiments have a negative impact on the migration attractiveness of the considered municipal entity in the long term: 34.8% of respondents want to leave for another city in Russia, and 5.1% have plans to move abroad. At the same time, those wishing to move are mainly city dwellers with higher professional education, aged 30 to 39 (mostly women) with an income of 30 to 60 thousand roubles per family, officially married and without children (or with one child), i.e., this is the working age population.

As the key socio-economic problems, the residents named: unsatisfactory quality of roads (86.7%), excessive tariffs for housing and utilities services (83.9%), shortcomings in the improvement of neighbourhood territories and streets (81.3%), unfavourable environmental situation (71.7%), unsatisfactory operation of public transport (65.6%). Characterising the

state of the business sphere, respondents drew attention to the problem of corruption in the city (29.8%). As positive aspects of the urban environment, more than 70% of respondents noted a fairly high quality of work of sports and cultural and leisure facilities.

Thus, the results of the sociological survey of the population of the Municipality "City of Kirov" confirmed the results of statistical analysis and expert assessments. The exception was the environmental component, which, according to the ratings, is not the key one for the city. At the same time, the analysis of public opinion allowed to prioritise the highlighted problems and study them in more detail, taking into account their perception by the city residents.

To ensure the functional purpose of the tool for monitoring socio-economic development of municipal entities not only in the current, but also in strategic management, it seems reasonable to carry out scenario forecasting as part of the final section of the proposed methodological approach, since it is it that allows to make effective management decisions to achieve the best results in different socio-economic conditions.

The forecast is based on the municipal statistical base formed in the first section of the methodological approach through the development of a complex economic and mathematical model of municipal entities using correlation and regression analysis of the most important interrelations of macro-subsystems of municipal entities according to the three scenarios [20]:

- conservative, assuming preservation of the current trends of the municipality's vital activity, which is expressed in moderate rates of socio-economic development under unfavourable external conditions (slowdown of the country's and region's economic growth rates, unstable macroeconomic and foreign policy situation, coronavirus pandemic, etc.);
- basic, characterised both by the preservation of the basic conditions of functioning of the

municipality and the implementation of the most probable parameters of development of the economic situation in the region and the country;

- targeted, based on the existing potential of the municipality and the implementation of favourable conditions both at the local, regional, and country levels.

Differences in scenario forecasts are determined by the parameters laid down in the key strategic planning documents of the region and Russia, as well as by such factors as labour productivity, investment activity of municipal entities' enterprises, wage growth rates, etc. When developing scenarios for the municipal entity "City of Kirov", the data of the forecast of the Ministry of Economic Development (in accordance with the given scenario parameters), the Central Bank (taking into account the impact of the consequences of the coronavirus infection spread), the Rosstat forecast in the field of demography and the forecast of economic development of the Kirov region were taken into account. The following parameters were identified as difference parameters for the scenarios in the city of Kirov, obtained on the basis of correlation and regression analysis: investment activity, wage growth rates, returns on assets, stock returns, labour productivity, commissioning of the total area of residential buildings, volume of some sources of budget revenues.

The fragment of forecasting socio-economic development of municipal entity "Kirov City" for the period up to 2035 is presented in *Fig. 2*. Demographic indicators in the forecast period under the baseline and target scenarios will maintain growth trends (+5.6 and +8.5%, respectively, compared to the level of 2019) due to the intraregional migration inflow. Economic development parameters will continue to grow moderately: the volume of shipped goods of own production and works performed by own forces (by all types of economic activities) will increase

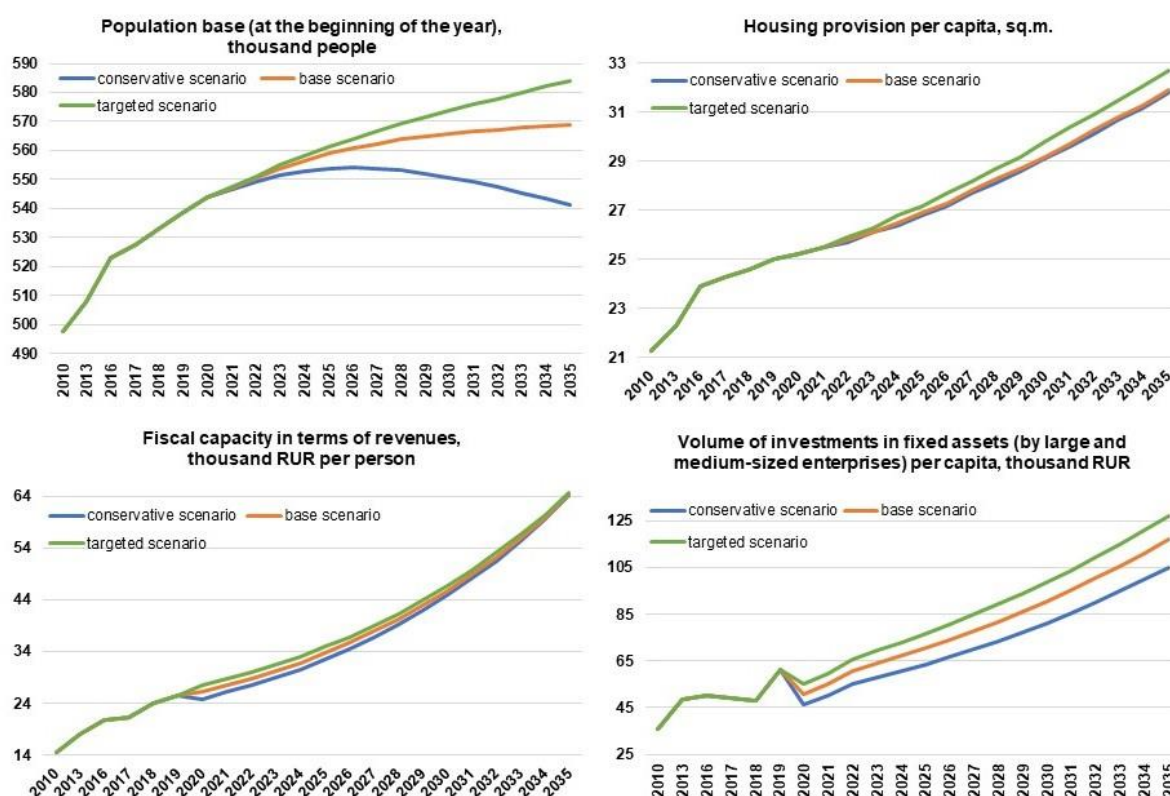


Fig. 2. Fragment of the forecast of socio-economic development of the municipality "Kirov City" for the period up to 2035

Source: compiled by the authors.

to RUR 472.0 billion by 2019 under the conservative scenario; (259.3%) mainly due to price changes (real growth is 28.8%), and under the target scenario — to RUR 608.8 billion (334.5%, real growth of 101.2%). The volume of investments per capita by 2035 will grow by 14.6% in the conservative scenario and by 25.3% in the target scenario (in comparable prices to the level of 2019), which is explained, on the one hand, by the effect of a high base, as a significant increase in investment activity was recorded in 2019, and, on the other hand, by the consequences of unfavourable external economic conditions in the first "five-year" of the forecast period. At the same time, the wage growth rates, according to the forecast, even under the target scenario are inferior to the Russian average: 2.5 times growth in the city of Kirov over 15 years and 2.6 times

over the same period in Russia. A similar situation takes place in the sphere of housing provision of Kirov residents: according to the target scenario this indicator by 2035 should amount to 32.7 sq. m/person, while according to the Strategy for the Development of the Construction Industry and Housing and Utilities Services of the Russian Federation<sup>4</sup> until 2035 it will amount to 35 sq. m/person on average in Russia.

The formed scenarios allow to define sustainable development corridors for municipal

<sup>4</sup> Order No. 3268-o dated 31.10.2022 (On the Strategy for the Development of the Construction Industry and Housing and Utilities Services of the Russian Federation for the Period until 2030 with a Forecast until 2035). URL: [https://www.consultant.ru/document/cons\\_doc\\_LAW\\_430333/f62ee45faefd8e2a11d6d88941ac66824f848bc2/?ysclid=1l434emv5998553947](https://www.consultant.ru/document/cons_doc_LAW_430333/f62ee45faefd8e2a11d6d88941ac66824f848bc2/?ysclid=1l434emv5998553947); <http://static.government.ru/media/files/AdmXczBBUGfGNM8tz16r7RkQcsgP3LAm.pdf>



entities — intervals (lower, optimal and upper) between scenario lines for each of the socio-economic indicators, forming a field of activity for local self-government bodies in terms of taking necessary management measures to move to the corresponding corridor.

### CONCLUSIONS

The proposed methodological approach to the assessment of socio-economic development of municipal entities consists of five interrelated sections, each of which implies a certain list of empirical data, rules and sources of their formation, appropriate algorithms, and methods of their analysis, as well as requirements and limitations, the totality of which ensures methodological unity:

1. Assessment of quantitative and qualitative indicators characterising socio-economic development of municipal entities in the context of interrelated macro-systems.

2. Assessment of competitiveness of municipal entities:

- expert, characterising the positions of municipal entities in all-Russian ratings in certain areas;
- statistical rating, which determines the position of municipal entities when compared to municipalities with similar development parameters.
- 3. Assessment of public opinion based on the results of a sociological survey of residents of municipal entities.

• 4. Scenario forecasting of socio-economic development of municipal entities.

The formed methodological approach allows:

- comprehensively analyse socio-economic development of municipal entities not only based on the results of achieved management results for the previous long-term period, but also for the current moment, including the level of competitiveness of the municipality and public assessment;
- monitor socio-economic development of municipal entities within the selected corridor of sustainable development in the long term, which makes it possible to improve the efficiency of strategic management of municipal entities.

In addition, this approach, unlike most existing ones, is quite universal and can be applied to different administrative-territorial entities (agglomerations, regions) provided that an appropriate complex empirical (statistical) base is formed and, accordingly, is of practical interest for regional authorities and local self-government bodies.

The results of the analysis are of significant value for the expert community, population, and business, which are not only direct participants of monitoring socio-economic development of municipal entities in the implementation of this approach, but also local stakeholders who can improve the efficiency of their own activities on the basis of the obtained complex and comprehensive information.

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