

# Development of Social Infrastructure in the Management Practices of Local Authorities: Trends and Factors

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#### **ABSTRACT**

The relevance of the article is conditioned by the exceptional importance of the social infrastructure for the development of the state, society and each individual. Social infrastructure ensures the development of the municipal unit, satisfaction of the basic needs and interests of the population, creation of the conditions for its subsistence and reproduction. In this connection, the paper aims at analysis of the main challenges and tendencies in the functioning of the social infrastructure of the Russian territories, the factors of its development. The major method of research is jury of opinion the leaders of local authorities, that has allowed to consider the main resources and restrictions of their activities for the development of social infrastructure in the modern Russian conditions. The article includes the analysis of factors, determining the effectiveness of the development of social infrastructure of municipal units in the Russian Federation. The work discloses the financial-and-economic and political factors, limiting the development of territorial social infrastructure. The article proves that the socio-cultural factors can serve as resources of formation of investment attractiveness of the territory, the development of social infrastructure. The results of the research can be used in the activity of public authorities in drafting of regulations, the practice of local government, contributing to the development of social infrastructure.

KEYWORDS
Social infrastructure, municipal unit, local
government, social -and-economic and political
factors

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#### Introduction

Social infrastructure is one of the dominant factors, ensuring the satisfaction of basic human needs, as well as the development of the state and its territory. Transportation facilities, housing services, the systems of social protection, health and education are the key positions in the practice of state and municipal administration, which is determined by a number of factors. First

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of all, by the social significance of the social infrastructure, which appoints the availability of primary amenities for the population, the possibility of self-fulfillment of the individuals, the development of their professional, entrepreneurial activity, characteristic of conditions for transformational and transactional costs saving for businesses unit. Effective development of social infrastructure provides a pledging of social security and political stability. Complexity and multidimensionality of set problems raises special demands to the system of management, providing operation and development of social infrastructure, first of all at the local level. Concentration on a particular territory of all processes of sustenance of the population, territorial localization of the objects of social infrastructure confirms the effectiveness of autonomy of local government from the government institutions in the solution of the issues of local character.

In recent years, both Russian and foreign researchers have given much attention to the development of local government. Thus, the analysis of the issue of interaction between central and local authorities is represented in the works of J. George & S. John (2012), C. Copus (2006). A significant number of papers are devoted to the analysis of human capacity of local government (Vries, 2002; Timchenko, 2013), the transformation of the political culture of the population, the study of the role of citizens' social commitment (Crawford, 2009; Wulf, 2008). Certain aspects of the interaction between local administration and population in Russia, are clarified in papers J.A. Grissom & J.R. Harrington (2013), V.N Ivanov & V.I. Patrushev (2001), A.N. Shirokov (2000), I.V Babichev (2000).

However, the factors, restricting the effectiveness of local authorities activities for the development of social infrastructure are not investigated in full in the present works.

# Materials and Methods

In the course of the study such general-purpose methods as analysis and synthesis, deduction and induction, generalization, theoretical modeling as well as empirical methods, such as analysis of documents, sociological survey, and observation have been implemented.

Informational background of the research includes federal and regional statutory regulations, statistics, informational and analytical materials of federal, regional and local authorities.

Obtained results of the research are proved out by the data of a jury of opinion, conducted by the All-Russian Board of Local Self-Government. Expert survey has been conducted among local government leadership. The appliance of the above-mentioned methods and techniques has made it possible to ensure the validity of the analysis, theoretical and practical conclusions.

#### Results

Social infrastructure of the municipal unit is a complicated, multifunctional complex that includes a set of institutions, organizations and offices, united by a common goal of development of the municipality, satisfaction of the basic needs and interests of the population, arrangement of conditions for their subsistence and reproduction. Transportation facilities, housing services, social protection, health and education are the key positions in the practice of state and municipal government, which is determined by a number of factors.



Statistics, the results of the sociological studies testifies a number of problems, connected to these areas of activity. Each fifth respondent leader of local authorities, most of which were represented by rural villages, was "not satisfied" or "rather not satisfied" with the level of the development of social infrastructure in their territory (see. table. 1)

Table 1. Evaluation of the level of satisfaction with the development of social infrastructure in the responses of the experts.

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Responses of the experts							
Type settlement	of	satisfied		rather satisfied	rather satisfied	not	not satisfied
Urban settlement			14,6	65,9		17,1	2,4
Municipal district			20,6	63,5		15,2	0,7
Rural settlement			17,2	50,6		28,5	3,6
Urban distric	t		18,5	71,7		9,8	0

Judging by each major element of the social infrastructure taken separately, the lowest grades (average 3 out of 5) have been given to the transportation facilities and utilities system. Among the elements of the sociocultural complex, the system of secondary education has received the highest grades - "4" on average. In the framework of the socio-cultural complex, worst of all is the situation with the health system (the average grade - 3). According to the experts, the most deplorable situation with health services has been formed in urban settlements. Every fifth leader of organs of power of the municipality (21.4%) responded quite negatively to the level of development of local medicine (Frolova, 2014a).

# Factors, determining the management practices of the social infrastructure development

Under the factors (from the Latin factor -. making - producing) we understand the conditions that determine the nature, specificity, parameters of the activity of the management entity with the purpose of the social infrastructure modernization. Management practices are formed under the influence of many factors, which are interconnected and interconditioned. The classification of the factors is based on their grouping by main scopes of activity: economic, social, political, cultural and spiritual. At the same time, natural and territorial factors are also considered as the key aspects of social infrastructure development.

# Natural-territorial factors

Natural-territorial factors - is type and size of a settlement, climatic, ecological conditions, natural-resource potential of the territory. Natural-territorial conditions for the social infrastructure accommodation have prevailing significance. These factors identify the specificity of the functioning of the infrastructure sectors. Thus, harsh weather conditions, in particular, dictate a high level of requirements for functional performance of utilities system, significant material costs for the construction and maintaining of environmental



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support systems. But the only factor of the depth of ground freezing indicates the difference in the cost of construction and keeping of residence building, the objects of infrastructure in various regions. The high cost of community, transportation facilities, geographical isolation of the northern territories increase the transformation costs, connected with production, transportation and storage of food and industrial articles, restricting the development ability of the consumer market complex.

Not less significant factor in the development of infrastructure is the type and size of the municipal unit. Belonging to the urban or rural settlement, in many respects determines the priority of any given area of activity of the instance of authority on the development of social infrastructure. The characteristic features of the rural settlement, indicating the specificity of its social infrastructure, are usually the following: dispersion of displacement of population, the prevalence of low-rise buildings, the lack of centralized utilities, low level of transaction costs when making different kinds of transactions, formation of a contract, which are determined by the specific of sufficiently close interpersonal communication (Kuhtin, 2008), the absence of a stable level of demand for commercial services of the consumer market, the socio-cultural infrastructure complex. The finely divided nature of the resettlement defines a high degree of dispersion of social infrastructure objects, high transportation costs of the population.

Another significant factor is the size of the settlement. On the one hand, in the large urban areas special requirements are imposed to the work of the government in order to ensure the effective functioning of the objects of social infrastructure. Rather than anywhere else, in the large cities the organization of municipal improvement, transportation, public services is associated with a high level of complexity. On the other hand, large cities, being the centers of the workforce, have a more stable financial base for the social infrastructure development (Makushkin et al., 2016). Statistics affirm serious prerequisites to the mobility of personnel and capital to the large settlements. Higher population size serves as a factor of effective development of social infrastructure, as it creates the objective prerequisites for sustainable demand on related services, allows to create the taxation base of local budgets.

# Political factors

Political factors are represented by the laws and regulations that define the parameters of government work in the development of social infrastructure, the direction of state, regional policy, the level of citizen activism, non-governmental organizations.

The political sphere is inherent in the law, rules of which set the parameters and vector of the state policy, regulating the interaction of the main subjects of the modernization of social infrastructure. Moreover, the legal provisions of budget legislation define the characteristics of financial and economic base of the development of social infrastructure of municipal units in the Russian Federation. The legal system represents an integral factor, including not only legislative instruments, regulating the activities of the public authority on the development of social infrastructure, but also a whole set of legal institutions, indirectly affecting the investigated processes, providing social, political stability and national security.



As practice shows, local taxes account for a very small part of the own revenues of the local budgets ("4.8% of the land tax and 0,2% from the individual property tax "). The most significant local budget revenue is provided by a federal individual income tax, "its share in the tax revenues of municipalities is more than half - about 60%" (Slyunyaev, 2012). The transport tax, corporate tax are not paid to the budgets of settlements directly, which significantly limits the financial autonomy of the local authorities of the settlements, depriving the motivation to socio-economic development of the territories.

The norms of assessments to budgets of the settlements from certain federal, regional taxes and fees are established by the Law of territorial entity of the RF. Thus, the local budget may have completely different proportion of both transport tax, and corporate tax, charged at the regional level, it all depends on the policy of the subunit of federation. So, at the public hearings "Trends in the development of the local government in Russia in the context of legislative changes" in the Public Chamber of the Russian Federation the following figures were given. "In 2010, one of the leading enterprises of the city paid to the budgets of all levels 226 million of rubles. Of which, Kirovsk budget received about 1%, the budget of the Kirov region - 2.3%, the budget of Leningrad region - 25.3%, the federal budget - 71.4% "(Lupeko, 2011).

# **Economic factors**

Economic factors are general economic conditions, determining resource provision of the management practices for the development of social infrastructure. Social infrastructure "appears and becomes an independent element of the economy only achieving a certain (high) level of development of industrial forces of society. Economic resources of the state, efficiency of the production, workforce productivity define the limits of economic possibilities of social infrastructure development"(Vazhenin, 1980). In modern conditions of social and technological progress, stimulating among other things increasing level of requirements to the performance property of social infrastructure objects, and associated with that their high capital intensity, the link between the level of social infrastructure development and economic stability of the area is evident (Gureva et al., 2016; Delmon, 2012).

As it has been described above, the rules of the budgetary legislation identify significant restrictions of local authorities management activity on the development of social infrastructure. Financial insecurity of local budgets, their self-reliance, determining by existing legal provisions of budget legislation, initiates the growing influence of regional economic factors on the nature of management practices of local authorities. In terms of budgetary centralization, the level of regional support is becoming one of the dominant factors of the modernization of the social infrastructure of the municipal unit.

Economic and infrastructural development of the region are interdependent factors. The high level of economic development, favorable investment, business environment, the positive migration balance of the labor forces to the region determines the sustainable development of social infrastructure through attracting the investment, raising of living standards of the population, and, correspondingly, increase in demand for its services (Vinogradova et al., 2015). In turn, the concentration of infrastructure objects in the territory is an additional source of economic growth (Rudenko et al., 2016). Such mutually



conditioned, cyclic process only strengthens the processes of regional differentiation. Thus, the already existing and growing heterogeneity of economic space actualizes the development of the pattern of modernization of social infrastructure. Only by stimulating the development of utility and transport infrastructure, being a factor of reducing transformation costs in the manufacturing of goods and services, it is possible to overcome the structural deformations of regional development, increase competitive advantage of certain territories.

# Social factors

Social factors characterize the level and living standards of the population that as a whole determines the needs of the social groups in the development of social infrastructure. Social factors are a reflection of the existing economic and political trends.

Territorial differentiation, expressed in such economic indicators, as the investment quote, financial security of the regions, initiates a high degree of polarization in the level and quality of life of the population, defined not only by the amounts of revenues, but also by the territorial belonging.

In modern conditions the poor living standards of the vast majority of the rural population initiates the lack of demand for services of social infrastructure objects, largely determining its qualitative and quantitative characteristics. Thus, the ratio of average monthly notional accrued wages of agricultural worker to the average level in Russia is the lowest and constitutes 52% (Russia in Numbers, 2014). The level of wages in rural areas is also determines by the human capacity of social infrastructure objects, which is characterized by lower education and qualification level, the outflow of skilled personnel to the cities, providing greater opportunities for self-realization. Serious threat it represents, first and foremost, for the objects of education and culture (Rogach, 2009).

# Factors of cultural and spiritual sphere

Factors of cultural and spiritual sphere include established on the territory historical and cultural traditions and resources, specific for the population values, affirmations, mentality peculiarities. Management practices of the social infrastructure modernization should, on the one hand, be determined by the cultural and spiritual needs of the population, and, on the other hand, form them, improve in accordance with the priority objectives of the unified national ideology.

Educational and cultural needs of the population serve as the basis for the formation of social infrastructure, relevant to the present demands. In addition, value system, moral standards indirectly influence the development of social infrastructure. Such values as respect for property rights, honesty in conclusion of a transaction, compliance with contracts and consumer rights determine the potential opportunities for attraction of investments for social infrastructure development, as well as the qualitative parameters of the services provided. Social activism contributes to the establishment of a system of public control over the development of the social infrastructure of the municipal unit.

Historic cultural heritage of the settlement, traditions are the foundation, forming, first of all, territory travel services market, and therefore the development of appropriate social infrastructure. Preserving of historical





appearance of the territory, protection and restoration of cultural monuments, architectural complexes, attitude to the national pecularities, traditions and customs contribute to the formation of the tourist attractiveness of the area. All this is a major area of business dimension, contributing to the development of the municipality.

#### Discussion

The analysis of legal documents allows to make a conclusion that local government have the authority and great opportunities, ensuring the development of social infrastructure. Critical issues of the subsistence of the population are referred to the competence of local authorities; the territorial localization of social infrastructure determines the high level of correlation of its level of development with the efficiency of local self-government work. Today, however, there are several problems, restricting the potential of local government in the field of social infrastructure development. First of all, it is the lack of financial security for municipal government.

As it is emphasized in the Draft Concept of the improvement in the regional policy in the Russian Federation for the period up to 2020 (2014), "in Russia there was developed a sufficiently high level, even to measures of unitary States, centralization of income. At the same time, municipal units are too congested with expenditure commitments. As a result, extensive system of inter-budgetary transfer. At the same time, it is excessively detailed (about 90 types of inter-budgetary subsidies and more than 20 types of subventions). Inter-budgetary transfers constitute the main portion of sub-federal budgets' income, often forming dependency moods at the public agencies at the regional and municipal levels" (Draft concept of the improvement in the regional policy in the Russian Federation, 2014).

The analysis of the set problems reveal sufficient complexity in distinction between economic and political factors, affecting the management practices of social infrastructure development. The specific of the budget legislation lays down certain restrictive framework for local government, forming their management practices in accordance with the available material and financial resources. Considered aspects of centralization of fiscal policy defining the feature of paternalistic model of local self-government, a high degree of dependence on federal and regional donations. High capital intensity of social infrastructure objects, insufficient financial and economic base, possessed by the main subject of management (local authorities) initiates a high degree of dependence of management practices' effectiveness on the factors of federal and regional policy (Frolova, 2014b; Erdyneeva et al., 2016).

Civic engagement of the population is the most important factor, determining the effectiveness of management practices of social infrastructure modernization. Significance of the citizen activism is being explicated out of its functionality, among which particular importance have the following: identification of priorities of the social infrastructure modernization, assessment of the relevance of guidelines for action of local authorities to the needs and expectations of various social groups of the municipality, direct involvement in the organization of the activities, aimed on the resolution of the problems with housing and utilities infrastructure, public order, ensuring peacekeeping. The system of social control over the functioning of the social infrastructure objects is



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a prerequisite for improvement of quality of infrastructure complex services. Formation and development of the democratic principles of the Russian Federation, embodied in the Constitution, involves ensuring of reliable public verification over the government. The formality of the declared forms of social control and the virtual absence of cooperation in the metter of the development of social infrastructure between the community and governing organs allows government institution to keep the closed nature of administration and operate mostly on maintaining of the functioning of already existing system, rather than on its development (Frolova, 2016).

#### Conclusion

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Thus, local authorities are the main subject of the modernization of social infrastructure. Other subjects of the modernization of social infrastructure include federal and regional power structures, private business, the population of the municipal unit. Analysis of the factors, determining the management practices of social infrastructure modernization, lead to an important insight about the current state of the institution of local self-government - an obligate consequence of the transformation of society, a reflection of the existing contradictions between the institutional essence of local self-government as an independent management entity and the objective factors of political and economic charecter, restricting its autonomy.

Image promotion of the municipality as an attractive tourist area will allow not only to increase the revenues of the local budgets through additional tax proceeding, but also become a factor of development of corresponding social infrastructure. Formation and / or promotion of amenities on the territory, possessing a tourist attraction, reduce entrepreneurial risks, associated with the site of the object of social infrastructure due to the provision of increased demand for their services. Attraction of public opinion to the socio-cultural objects of the municipal unit forms the investment attractiveness of the territory, initiating the development of social infrastructure (road facilities, transport system, public services, catering and etc.). Raising of the level of tourist attractiveness of the territory, its prestige is possible on the basis of attracting the interest to the existing historical sites, unique natural resources (Larionova et al., 2015; Vinogradova et al., 2016).

Particularly topical issue is the creation of conditions for the development of agricultural, cultural and educational tourism, search for unique ideas for the formation of the tourist attractiveness of Russian small towns and rural settlements. The popularization of national artistic trades, the restoration of the historical appearance of the settlements is one of the directions of the municipality tourist's image, which is a catalyzing factor of development of social infrastructure.

#### Disclosure statement

No potential conflict of interest was reported by the authors.

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