

Management Processes in the Development of the Socio-Economic Environment of the Region

Anastasia A. BABOSHKINA

Department of International Business and Customs
Plekhanov Russian University of Economics, Moscow, Russian Federation
anastasia.baboshkina@gmail.com

Natalia P. SAVINA

Department of World Economy
Plekhanov Russian University of Economics, Moscow, Russian Federation
natalia.tikhonova@mail.ru

Ivan V. MOROZOV

Candidate of Economic Sciences
Plekhanov Russian University of Economics, Moscow, Russian Federation
moroz-2@yandex.ru

Suggested Citation:

Anastasia A. Baboshkina, Natalia P. Savina, and Ivan V. Morozov. 2018. Management Processes in the Development of the Socio-Economic Environment of the Region, Volume IX, Spring, 2(32): 376 – 385. DOI: [10.14505/jarle.v9.2\(32\).02](https://doi.org/10.14505/jarle.v9.2(32).02). Available from: <http://journals.aserspublishing.eu/jarle/index>

Article's History:

Received January, 2018; *Revised* February, 2018; *Published* March, 2018.
Copyright © 2018, by ASERS® Publishing. All rights reserved.

Abstract

The global economic crisis, many internal problems of the national economy, threats and negative impact of the external environment are the main causes of economic instability at the national level, and as a result, instability at the regional level. In this regard, the basic condition of regional development is a public policy that will ensure sustainable socio-economic development of regions on the basis of their potential and possible threats from the external environment. In modern society feel the need to research aimed at solving problem the development of society from a position of respect social priorities, balancing the interests of the government, civil society, the business community, conservation of ecological balance. Today require state regulators that will allow to organize the process of strategic management of development of regions taking into account the interaction of many internal and external factors affecting their development. The development of theoretical and practical issues concerning the choice of strategy of development of regions and mechanisms to achieve policy objectives, approaches to the assessment of the degree of achievement of goals and objectives is a critical task in the development of regional self-government. The increasing need of renovation and improvement of organizational support of strategic management of socio-economic development of the regions in compliance with the main guidelines of economic reforms in the Russian economy through the development of strategic partnership of government, community, business community, and the need to improve the methodical support of assessment of effectiveness of strategic management of region's development and the degree of stability of its development was determined by the relevance of the chosen topic.

Keywords: region; economy; management; structure; procedure; activities.

JEL Classification: K14; K36; Z18.

Introduction

The modern features of transition of Russia to a market economy on the background of unstable world economy, the impact of the consequences of the global crisis are characterized by the need to ensure sustainable development, which should facilitate the development of positive internal dynamics of the economy of the country and regions in particular.

The main feature of modern political and economic development of Russia is a combination of the beginning of the Federal, territorial and national beginning. On the background of formation of the Russian market economy is in the process of sovereignization of the individual areas and regions, accompanied by a strengthening of their status as political systems, to increase the independence of their economies, the formation of independent budgets and sources of self-financing. Today the problems of economic security of regions, sustainable development and independence are the most relevant. This contributes to the increasing importance of the regions themselves, as subjects of the Russian Federation at the level of state economic and social policy, and the growing importance of regional management at the state level and at the regional level.

At the legislative level, the importance and necessity of the regional dimension of development of the Russian Federation determined the Federal law 'On state forecasting and programs for socio-economic development of the Russian Federation', which was adopted in July, 1995. This document legally establishes the need to develop projections of socio-economic development in the whole country in the long-term, medium-term, short-term forecasts, as well as on regions, economic systems, industries. Thus, the formation of medium-term forecasts provides a reflection of regional economic policy. On the basis of this legislation in the regions in subsequent years appeared relevant regional laws, programmes, development strategies, schemes, the concept of socio-economic development of regions.

Unlike many emerging regional development programmes due to the sharp differentiation in the level of economic and social development of the regions, the worsening of the socio-demographic and environmental problems that the regions have to solve on their own, without relying on Federal support. 'The process of gradual transfer of the center of gravity of strategic decision-making from the center to local needs studying, and develop adequate methods for the implementation of development prospects'.

The complex interaction of all socio-economic and political systems in the space of the world economy, individual countries and its regions in particular creates an objective necessity to form a comprehensive picture of the region that meet the current stage of development of the Russian Federation, the state system and the ongoing reforms in the country's economy. The functioning of the economy as a whole today depends on the interaction and the totality of prevailing natural, socio-cultural, national, economic, territorial and many other relations, formed in subjects of the Russian Federation.

All this led to the need to consider research questions relating to perceptions about what 'region'; questions concerning development of subjects of the Russian Federation; issues related to determination of the composition factors and their influence on the economic and social status and development regions; of the nature of strategic management; principles of strategic management and planning.

1. Literature Review

The mission of the region is determined based on the main direction of development of the country: 'for and through man', based on which goals are formed. Thus, the overall goal consistent with the mission - creation of favorable conditions for life and development of the region's population and growth in income. With a shared purpose defines the goals of a lower level for the strategic management of socio-economic development of the region. The formation of development goals and will determine strategic priorities for development. Generated by a development must meet certain conditions: goals must be acceptable to all participants in the reproductive process of the region (population, authorities, business); the purpose it is advisable to translate into a quantitative measurement or to define the criteria for its evaluation (e.g., quality goals); goal achievement should be defined within certain time; the goal must be attainable (realistic); the goals should complement each other, diversity and 'conflict' ends (Paweland and Kociuba 2017).

The main elements of strategic management, including basic approaches to regulation of regional development, definition of strategic development objectives of the region, indicators and benchmarks of achievements, analysis and control etc. will be discussed later

In 1996 in Russia, published the presidential Decree 'On concept of transition of Russian Federation to sustainable development' (Ganibaev 2017). The impetus for the development of national sustainable development programmes was the international documents: basic provisions of the concept of sustainable development, adopted in 1987, the world Commission on environment and development (Gabe 2017); the General principles relating to the whole of civilization, reflected in the Declaration on environment and development adopted in 1992 at the UN conference on environment and development (Bufetova 2017). In 2002 countries agreed at the world summit on sustainable development, which involves the preparation and implementation of the strategy of sustainable development. The concept of sustainable development is based on

three components: social, economic and environmental. This concept envisages the development of all three components in unity.

According to the concept of Russia's transition to sustainable development will be implemented in three phases: 1996-2000 – the stage of formation of the regulatory framework; 2000-2015 – step solutions to the pressing problems of the economy and the environment; to the middle of the XXI century – a stage of formation of the sphere of the mind, to achieve harmony between people, environment and nature.

National socio-ecological-economic system has its own complex structure. Its subsystems are the individual regions (areas), which, in turn, represent the cumulative result of development of the individual subsystems (Grabar 2017). In this context, consider the following subsystems: economic, environmental, social, and institutional technical technological.

In the national program of Russia's development lay the foundations for the transition to a sustainable development model (Ness 2016). As the main directions for regions defined, in particular: the formation of the economic mechanism of managing economic and social development; implementation of environmental protection measures on residential and vacant territories; the development of social infrastructure and improvement of the population; development of agriculture based on advanced technologies; reconstruction of regional industrial ecosystems taking into account economic capacity of local ecosystems [*ibid*]. According to the national programme the essence of regional development is defined as the use of internal capacity by reducing the role of state regulation of formation and development of regional mechanism for management of sustainable development, promotion of private enterprise.

The transition to sustainable development of the region will provide development management of the region on the basis of management decisions proactive nature, because in modern conditions of managing increasingly there is a need of decision making in conditions of uncertainty and risk. Managing sustainable development is based on long-term programmes that require the development of carefully considered goals of strategic management of region's development.

The most recognized two basic approaches to regulation of regional development processes (Ouyang 2016): the theory of stages of development of the region is due to the coherent phased process; the export base theory is the development of the regions due to favorable conditions for export, which increases the interest of investors, in addition, should take into account those factors which do not have tangible expression, namely, trust, receiving timely information, prejudice, etc.

Positive quantitative changes in the system in the context of development of the regions allow us to speak about growth, e.g. economic.

Modern theories of development provide an opportunity to explain structural change, cyclical economic activity in the country (or region) in space. Trends in sustainable development, sustained development describe theories of growth. Growth is always accompanied by positive dynamics of changes of any values of indicators in relation to previous over time (for example, if we talk about regional development, we consider the gross regional product, income levels, etc.).

In the economic literature often discusses three scenarios: extensive, intensive and innovative. The last time the preference is given to innovative option as the option providing the development of high technology, on the basis of such priorities as science, information, technology-intensive industries, raising the level of professional and General education.

It is possible to allocate the basic directions of theories of growth and development patterns of foreign economists: (1) the neoclassical theory based on production functions; (2) new theories of regional growth based on increasing returns to scale and imperfect competition; (3) theory of cumulative growth; (4) new forms of territorial organization of production, on the basis of functioning of industrial and regional clusters, value adding, development of innovation system at the regional level and at the national level; (5) other theories associated with the private issues of regional growth.

Neoclassical theory the basis for growth I believe those factors that determine production potential the potential of a certain territory, and added to these spatial factors. It is believed that between regions there is a connection and perhaps some balance. It is assumed that the difference in the levels of development of regions will disappear over time due to capital per worker and mobility of different factors of growth. While neoclassical theory does not take into account social and political factors, growth is seen as changes in equilibrium of development of regions, are not taken into account innovation, etc. however, neoclassical models allow to identify regional effects, the degree of accumulation of capital in the regions, provide an opportunity to determine the degree of influence of space factors on the economic growth of the region.

New theories of regional growth offer taking into account such factors as domestic sources of growth, markets (land based placement firms), identify possible ways of rapprochement of regions, the impact of the increase in the production of services, the cyclical movement of factors. In these models does not include values of the influence of social factors, innovation, specialization of production, etc.

The theory of cumulative growth in the first place put forward the processes that create the necessary conditions for the development and achievement of a positive result. The effect is in one direction. The development regions are not aligned. This trend suggests the emergence of growth centers, competition, which provides uneven regional development. It is assumed factors such as innovation, specialization areas, etc. In these theories, however, are not considered questions of development of small entrepreneurship, development of large companies does not imply the necessity of taking into account the specifics of the region and allows for the ignoring of internal regional coherence.

The theory of new forms of spatial organization meet the modern needs of the development of the world economy, because consider the impact of those factors which determine the competitiveness, stable growth of the regional economy and the welfare of the population. This is ensured by setting up industrial clusters and regional clusters, innovation development at national and regional level, the value chain, the development of the training. However, the application of such theories of growth impossible in underdeveloped regions, in addition, theories do not provide and do not provide the possibility of determining of the uneven regional development in the competition.

To other theories of growth can be attributed to econometric theory, regional growth theory, economic base, 'resource theory', the layout of the production model 'input-output', etc. using these models, it is possible to solve some private issues of regional growth, but note that they are not taken into account spatial factors, production factors.

2. The Mechanism of State-Private Partnership in Regional Development

The main principles of management of development of the region are [ibid]: the provision of conditions for conservation and use of social resources of each region and Russia; identify the most important priorities for capital investments; develop and explore options of maintaining separate (as a priority, and those in need) areas on the basis of *malopitatelna* or *rekapitulasi* projects. This corresponds to the basic principles of sustainable development in the region, justified in the previous paragraph. One of the conditions for sustainable development is a partnership of regional authorities, the business community of the region and of the population as an active participant in the reproductive process in the region.

Contemporary political, institutional, economic conditions of modern socio-economic development strata and regions create an opportunity for cooperation of administration and business (government and business community) on the basis of strategic partnership. The Association of the parties as of part privatization involves the achievement of common goals (economic, social, etc.) or the goals are not contrary to the interests of each party and do not interfere with their achievement. We can say that the partnership represents cooperation of the participants, in which the interests of the parties overlap or parties to assess the competition between them, as a reduction in positive Outlook and the deprivation of certain advantages in achieving their goals. The greatest challenge is the partnership of the parties who are at different levels of development, have different funding levels and different degree of dependence on political and economic factors and have varying degrees of influence on them. To address emerging issues and resolving some of the contradictions between regional authorities and the business community is necessary to provide conditions ensuring the harmonization of interests of all parties to the partnership. It is necessary to consider specific features of strategic partnership at the regional level, namely the achievement of the ultimate goal – increase of welfare of population of the region, providing ecological and economic security of the region.

To solve the problems of combining the various interests it is necessary to allocate the main stages of formation and strengthening of this partnership that will create the basis of a partnership will create preconditions for successful cooperation and opportunities for the development of their relationship in the long run. Given the possibility of a partnership of regional authorities, business community and population, it is possible to apply General approaches and principles formulated in relation to a person, as a subject of partnerships, as well as to municipalities and other objects and subsystems of the region.

As a rule, to the basic principles of partnership include: voluntary joining of the partners; mutually beneficial cooperation for all parties; shared responsibility in the framework of the agreements; the General agreement on key strategic issues. In the context of the strategic partnership between authorities, people and businesses may consider the partnership principles applicable to human partnership: 'the principle of equal

opportunities; the principle of personal freedom; the principle of property rights; principle duties: the principle of responsibility through the payment of taxes; the principle of liability of non-owners; the correspondence principle of ownership and responsibility; the principle of the warranty of freedom; the principle of exclusivity in a restriction of liberty; the principle of co-ownership in the public domain; the principle of continuity of citizenship and the right to share in the public domain; the principle of compensatory purchasing and the safe use of natural resources; the principle of equitable ways to obtain the right of ownership; the principle of owning the products of their labor; principle of equitable use of another's property for production; the principle of a fair measure of labor and measure consumption; the principle of retribution paid non-economic service of society; the exclusion principle in vivo privileges for gratuitous service of the society; the principle of equality of state support for citizens' (Grabar 2017).

In the works of many authors distinguish three main stages of the strategic partnership (Mouratiadou 2016): ideological; the estimated or economic; psychological or motivational. According to the author, the stages that traditionally divide in the economic literature does not fully take into account the whole slice of the socio-economic problems of the region. Based on the principles of equality and the principles of sustainable development of the region, the author expanded the phasing of the strategic partnership, the main stages included: stage of social significance; the stages of environmental safety; the evaluation phase of the strategic perspective.

3. Evaluation of the Effectiveness of Regional Development Programs in Public Administration

For the successful strategic management of development of regions it is necessary to develop and analyze indicators that will most accurately and succinctly to consider the degree of effectiveness of strategic management and to assess the condition and determine the level of socio-economic development of the region. Evaluation methods should also provide opportunity to identify prospects for the development and selection of the most beneficial areas of development of the region, and obtain information for the analysis should be quick and accessible, user-friendly and objectively characterize the current state of socio-economic development of the region. Optimally for the characteristics of the socio-economic development of the region should be used total objective indicators.

Russia has traditionally been to assess the level of economic development of the subjects as a summary measure used gross regional product (GRP) and GRP per capita. Together used with this data and expert assessments of regional development. It is noteworthy that in some cases high rates of GRP and GRP per capita sufficiently low estimates by the economic development of regions, for example, in oil-producing regions have high rates of GRP and yet sufficiently low socio-demographic indicators. Today, many researchers, like the author of this study believe that the evaluation and grouping of regions by their economic status, it is necessary to use a set of indicators that work together to identify the most important economic and social characteristics.

There have been several attempts to create a unified system of assessment of socio-economic status areas, but for now, for purposes of state regulation of development of regions, and to assess the effectiveness of strategic management at the regional level the overall methodological approach is not possible. Over the past decade to evaluate the efficiency of development of regions have been developed various systems of statistical indicators, in order to form a synthesis integral indicator that takes into account multiple factors influencing the development of the region.

In the late 90s by a group of experts have developed a synthesis system for analysis of socio-economic development of the region based on statistical data, which was allocated to several units: the first unit of development, the second means of achieving the objectives, and the third development outcomes. This system, according to the authors, possible to assess the indicators relevant to all sectors of the regional economy, which characterized the results and means of economic development, similar indicators are grouped together, making it possible to standardize the method of calculation. Three links submitted for analysis, according to this methodology (the results of development, development conditions, means of development), it is possible to regroup if necessary. A strength of this methodology is a significant number of indicators, which allows to more systematically and objectively assess the socio-economic development of the region, the weakness of the technique is that it does not provide the possibility of comparison of several regions (Yang 2018).

Later in the work Suspitsyn S.A. (Kohoutek 2017) the proposed method of assessment of socio-economic development of the region based on the statistics, calculated per capita, in addition, the proposed indicators such as employment, poverty, investment per one ruble of GRP, productivity, security index. Two schemes, proposed by Suspitsyn S.A. for calculation include: the first – multidimensional groupings between master rating scales and cluster analysis; the second uses the calculation procedure of the coefficients of regional appreciations and a

smoothing of some territorial value measurements. The coefficients appreciations are determined by regional differences, such as differences in the structure of the region, climate differences, natural features, etc. This technique differs from that described above because it allows you to compare and analyze the socio-economic development of the region and directly, however, to compare his position relative to other regions of the Russian Federation. This technique allows her to use both at the Federal level, to examine differences in development of regions and development of measures to reduce regional inequality, regional level, to analyze the situation of the region relative to the region-neighbors to assess the place and role of the region in socio-economic development of districts and regions.

There have been several attempts to create a more generalized system that allows you to calculate a single indicator, for example, used the technique of adjusting the GRP index based on differences in purchasing power. Calculations were based on data on the cost of regional consumer baskets (Treshchevsky 2017). According to this method, the adjustment of GRP taking into account differences in purchasing power in the regions, reduces the range of variation, according to experts, two times. In this case, the conditional adjustment calculations does not give an objective assessment of socio-economic development of the region.

To assess the social and economic development of the regions and used a different method consisting in the comparison of basic indicators for the nine evaluators, for example, was allocated the block of the financial situation of the region, the evaluation unit of material production sectors, the unit of the state of the environment in the region, the General level of development (Grabar 2017). In each of the blocks was used mainly on four indicators to ensure their equivalence. Considered and 4 sub-block of indicators, that reflect changes in the regions during the economic reforms. As the calculation base used method mezenterialnah factor ranking together with the method of scoring. Results formed on the principle of ratings. The ranking of the studied subjects is carried out for each indicator blocks and sub-blocks, wherein the determined location of the region from highest rating to lowest. The figures in the calculations are recognized as. Next is the conversion of grades the system of scores and calculated the standardized assessment on the principle of dividing the actual values by the specified maximum (actual or expected). The objectivity and accuracy of the obtained evaluation results provided a sufficiently large number of values (1000 values) that allows to conduct the most comprehensive analysis of the socio-economic development of the region. It should be noted, and the negative side of this approach, which is its multistage character and complexity.

At the present stage of economic development of Russia and regions, in particular, from the many methods developed to assess the effectiveness of socio-economic development of the regions requires not only providing opportunities of full economic development analysis, but also providing the possibility of drawing up analyses and forecasts to justify the choice of the main directions of development of the regions with the aim of forming the system of strategic management of their sustainable development and competitiveness. The main point of strategic management is to establish an optimally succinct criteria that would determine the sustainability and stability of development of regions and to identify the indicators of the crisis state of the economy of the region, calculate their threshold values, allowing time to change the system of strategic management of socio-economic development of the region. Such criteria should be primarily indicators of the level of living of the population, changes in the quality of life, along with indicators of economic development of the region. Unity in the matter of establishment of criteria for estimation of efficiency of development of the region from a position of stability and competitiveness is yet to be found.

Authors from different countries are making attempts to create a system of universal indicators-indicators to assess the state of socio-economic development of the region and prospects for its sustainability and competitiveness.

Of foreign authors interesting study S. Murai (Wang 2017) According to the system proposed, as indicators are used indicators such as population growth, gross national product, deforestation, the relative area of forests, arable land, providing its own grain, the density of the urban population, the population of the city. These indicators are applied to three threshold values: sustainable, critical and destructive. In the context of each index and threshold values are set your meter estimates. To the Russian conditions this technique is poorly applicable because it does not account for many internal features.

S.I. Syroezhin (Yang 2018) proposed to organize the dynamics, proving that the dynamic characteristics have a certain order that allows you to associate them with each other, even in the case when the statistical format of the investigated indicators may not be comparable.

Russian scientists Andreev, Borisov, Plucinska (Treshchevsky 2017) developed a more extended system of indicators consisting of a block key and a block of additional indicators (key indicators: GDP per capita, the index of physical volume of investments into fixed capital, an index of development of human potential, the

unemployment rate, the total amount of pollution per unit of GRP, etc.; additional indicators: volume of paid services per capita, the share of employees in small enterprises, the level of poverty, the coefficient of income concentration (the Gini index), infant mortality, levels of disease, natural capital, emissions, etc.). The proposed blocks of indicators characterize the development of social, economic, ecological spheres of the region. However, the method does not allow to fully take into account many important factors in the development of regions, the nature of their influence and interaction between them, as well as prospects for sustainable development.

Modern economic conditions create preconditions for the development of regional self-financing and responsibility. The latter implies that the regional authorities have the possibility of making strategic decisions on many issues of the socio-economic development of regions and self-financing involves creating and maintaining in the region of a certain financial stability to enable the possibility of compliance with the adopted strategy of development of the region. Self-financing and responsibility will create the necessary preconditions for stable development of the region, its sustainability and increase competitiveness. All this is possible on observing the mutual interests of society, business and government. Obviously, for the prospective analysis of the effectiveness of strategic management of sustainable development and competitiveness of the region necessary to form such a set of indicators that would assess, taking into account all factors determining the development of the region: economic, social, political, environmental.

4. Formation of General Forms of Effective Management of the Development of Regional Economy

To achieve the prospects of the project it is necessary to conduct preliminary comprehensive assessment. Currently, often used Methodological recommendations on evaluation of investment projects (Liu 2017), according to which is calculated the overall efficiency of the project, the component parts of which are public efficiency, it means the socio-economic efficiency, the efficiency of institutions interested in participating in the project, as well as commercial efficiency. Since adoption of these methodological recommendations and all investment projects are assessed using the same methodology.

In 2008 in Russia when assessing the efficiency of regional investment projects, concession projects have begun to use such indicators as financial, budgetary and economic efficiency (quantitative criteria) according to the Rules, approved in March 2008 (Fridman 2017). Criteria values are calculated comprehensively for the entire project. This methodology applies to projects having regional and interregional importance, implemented with use of budgetary appropriations of Investment Fund of the Russian Federation. Limits are set for a period of 5 years – the maximum term of investments by the Fund.

According to the Rules of indicators of efficiency of projects are:

- the financial efficiency – net present value of the project (in excess of the total amount of money received from the project over the total costs with discounting and is defined as the accumulated discounted effect of the implementation of the project during the billing period) and internal rate of return of the project (the discount rate at which NPV of the project equal to zero);
- indicators of economic efficiency – the volume of the project's contribution to gross domestic product (for projects of national importance) or in the increase of the gross regional product (regional investment projects);
- budget efficiency – the ratio of the discounted tax revenues to the Federal budget and (or) savings of Federal budget expenditures due to the implementation of the project, to the total amount of planned budget allocations of the Fund (for projects of national importance), the ratio of the discounted tax revenues to budgets of budgetary system of the Russian Federation due to the implementation of the project, the budget allocations of the Fund (for regional investment projects), under the discounting refers to the reduction of value cash flow of future periods to the present.

There are various approaches to evaluating the effectiveness of projects. Many developments based on the comparison of the total amount of revenues and expenses, summarizing them we can determine the efficiency of the state's participation in the project as the ratio of the effect expected to obtain the government, the sum of the costs of implementing the PPP project. In such approaches, the effect of the state budget is allocated on the effect and social effect. It identifies the relevant set of indicators for each components state effect: budgetary and social. Other approaches propose to consider as a result of the project the cost of the services rendered to the population of the region.

Summarizing the described approaches, it is possible to allocate the main tendencies in the assessment of efficiency is the definition of income in the budget (taxes, excises, duties, fees, payments on loans issued to project participants; charges of MF of the Russian Federation for the support of foreign loans; income from securities issued by the government); budget expenditures (provision of budget funds on paid and free basis; the

granting of shares in investment projects); tax incentives are accounted for separately as a reduction of revenues, not expenditures. Also separately proposed to take into account the fee for the state guarantee of investment loans issued and loans. In addition, it is assumed to consider the impact of the project on migration, the influx of additional working power in the region and the enterprises of the region, which is a direct influence in the process of implementation of the project: the changing dynamics of tax revenues as a result of deterioration or improvements in the financial situation of enterprises, payment of unemployment benefits, expenditures on migration and employment of citizens, in cases if foreseen in the project. For regions with high unemployment, where, as a result of implementation of the projects, created new jobs, as part of the budget revenues authors are encouraged to consider and reduce the amount of payments of unemployment benefits.

To assess the social effect of projects proposed to count the number of jobs created by the project, the dynamics of the reduction of unemployment and increase wages in the region or municipality in which the project is implemented.

Some authors propose to define complex state income as the difference between the sum of tax revenues and proceeds from the sale of the product and the sum of expenses necessary for financing of the project and ensure the interest of private parties.

Given that the implementation of infrastructure facilities is often the interests of the state is a specialized body, some authors (Ouyang 2016) suggest to consider not only the budget efficiency, but also benefit from participation in the project. Thus the total efficiency would be the budget efficiency and effectiveness of participation of the representative of the state. To assess the social and economic efficiency (public) proposed to use the aggregate performance indicator, which will include such components as the efficiency of the private investor, the effectiveness of third-party organizations that do not participate in the project and, thus, depend on the activities of the facility, the environmental performance and efficiency in the social sphere.

As you can see from the above approaches the composition of indicators depends on the need to assess certain factors to determine the benefit and interest of all participants of PPP projects.

According to the author to assess the effectiveness of PPPs on the basis of concession models, it is advisable to follow the Rules (Paweland and Kociuba 2017), which involves the determination of indicators:

- financial performance;
- economic efficiency;
- budget efficiency.

However, in the list of indicators provided by the Rules, there are no indicators that allow taking into account the environmental component and the social effect from the project. The author proposes to Supplement the performance indicators, concession projects in terms of environmental and social component given the project's influence on the development of business activity in the region. To assess efficiency it is possible to use the indicators described in the previous paragraph, is used to assess the socio-environmental development of the region, investment and economic and adjustment coefficients thereto, discussed in the previous paragraph. The list of indicators and ratios may vary depending on the purpose of the infrastructure facility in respect of which are considered variants of PPPs, as well as of the factors and consequences of their impact on socio-economic development of the region.

This approach will allow a comprehensive evaluation of the project and to evaluate its significance and impact on the socio-economic development of the region.

Proposed institutional mechanism of realization of strategy of management socially-economic development of the region, instrumental and methodological support of the choice of rational decisions concerning the strategic management of the development of the region create a sound methodological and scientific basis for the implementation of the strategy of sustainable development of the region and to balance the interests of all parties.

Conclusions

To improve the strategic management of socio-economic development of the region and balance the interests of government, business and population of the proposed organizational structure in which the dedicated coordination center, it includes: service analysis and strategy development; monitoring, analysis and control of implementation of the strategy; the service of information gathering and contacts with the public and stakeholders; a service processing external and internal information and the development of mechanisms of interaction between authorities, investors and others stakeholders. Service coordinating center will collaborate with all bodies of the Executive authorities of the region, statistical authorities, population, investors, banks and investment funds; collection and analysis of information on the proposed implementation of projects of socio-

culture and environmental projects, etc., proposed for implementation at the Federal and regional level. This will make it possible to coordinate the activities of each industry Department in the structure of Executive authorities of the region and ensure the transparency of information on investment projects not only for investors and other stakeholders, but also for the population of the region, and exchange of information provided on the feedback principle, which allows to get objective information about all stages of implementation of investment projects in the framework of the adopted strategy of development of the region and to respect the wishes and pressing needs of the population.

An important role in the strategic management of play control and analysis of the implementation of the objectives, degree of achievement, which are based on the evaluation values of the selected indices-indicators, characterizing the state of socio-economic development of the region.

Presently developed approaches to assessing the effectiveness and efficiency of management of regional development do not adequately take into account the nature of the influence of external factors and implications for regions and do not consider comprehensively all areas of socio-economic development of the region. The author proposes a comprehensive system of indicators to assess the state of development of the region in the context of four components (blocks): socio-ecological sphere, the economic sphere, investment and budget. The priority is the socio-environmental sphere, as an indicator of the achievement of a new quality level of life of the population of the region. For each unit developed a customized set of indicators and correction factors for them, their number is not the same. The choice of indicators is justified by the fact that the proposed assessment methodology is able to characterize not only the effectiveness of strategic management of region's development, but the sustainability of its development.

The proposed approach to evaluating the effectiveness of management development is to define the General integral index, the value of which will allow to evaluate the degree of achievement of policy objectives, and the analysis of the correction factors will allow to evaluate the mutual influence of various internal factors, the dynamics of their changes, to identify potential opportunities.

References

- [1] Bufetova, A.N. 2017. Trends in the concentration of economic activity and disparities in Russia's spatial development. *Regional Research of Russia* 2: 120–126.
- [2] Paweland, C., and Kociuba, D. 2017. *Towards Policy – Place-Based Policy and Smart Specialisation*. Springer International Publishing.
- [3] Fridman, Y.A. 2017. Competitive positions of a region in innovative economic development. *Regional Research of Russia* 4: 333–341.
- [4] Gabe, T.M. 2017. *Economic Development in the United States*. Springer International Publishing.
- [5] Ganibaev, G.R. 2017. *Health Capital as a Factor of Social and Economic Development of the Russian Federation's Regions*. Springer International Publishing.
- [6] Grabar, A.A. 2017. *The Concept of Economic and Social Development of Region Within Global Crisis Management*. Springer International Publishing.
- [7] Harris, M. 2016. *Universities as Anchor Institutions: Economic and Social Potential for Urban Development*. Springer International Publishing.
- [8] Kohoutek, J. 2017. The Role of Higher Education in the Socio-Economic Development of Peripheral. *Higher Education Policy* 4: 401–403.
- [9] Liu, C. 2017. *Simulation Methods for Regional Economic Development*. Springer Singapore Publishing.
- [10] Moroshkina, M.V. 2016. Differentiation of the regions of Russia based on level of economic development. *Studies on Russian Economic Development* 4: 441–445.
- [11] Mouratiadou, I. 2016. Emissions and their drivers: sensitivity to economic growth and fossil fuel availability across world regions. *Climatic Change* 1: 23–37.
- [12] Ness, I. 2016. *Political Economy*. Palgrave Macmillan UK Publishing.
- [13] Ness, I. 2016. *Themes and Concepts*. Palgrave Macmillan UK Publishing.

- [14] Ouyang, Y. 2016. *Strategy: Economic Development Pattern of Large Countries*. Springer Singapore Publishing.
- [15] Reid, N. 2016. *Cluster-Based Economic Development: Four Cases for Context in Developing Regions*. Springer Netherlands Publishing.
- [16] Tarakanov, M.A. 2016. The evaluation of the long-term economic development of the Irkutsk region in the system of the all-Russian forecasting. *Studies on Russian Economic Development* 1: 76–83.
- [17] Treshchevsky, Y. 2017. *Results of Innovational Activities of Russian Regions in View of the Types of Economic Culture*. Springer International Publishing.
- [18] Wang, Z. 2017. *Regional Dynamics*. Springer Singapore Publishing.
- [19] Yang, X. 2018. Gradient effect of road transportation on economic development in different geomorphic regions. *Journal of Mountain Science* 1: 181–197.
- [20] Yershov, Y.S. 2016. Features of regional economic development in Russia in 1999–2013. *Regional Research of Russia* 4: 281–291.

Reproduced with permission of copyright owner. Further reproduction prohibited without permission.