



Features of Building Control Systems Sub-locality in Modern Russia

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ABSTRACT

For practical implementation problems of innovative development of territories in the planning period, using the potential of sub-localities, the development of effective management models and schemes require more advanced scientific and methodological base formed on research of modern processes of territorial management in Russia. It remains largely untapped resource cluster forms of coordination and motivation of business activity of economic entities at the sub-regional level. Disputable issues, methodological approaches and the special importance of solving practical problems of improving the system of economic management sub-localities, as well as the relevance of the scientific study of selected issues, led to the choice of the theme of the work, setting its objectives and the formulation of objectives.

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1. INTRODUCTION

The prevailing so far in Russia types (models) manage local development in the literature is conventionally called "the state," "the city-industrial complex," "bureaucratic" and "people" (Kabashev, 2009).

Sub-regional economic center in the locality of "national model" - The center of government in the continuing economic passivity of the local leaders, who are based mainly on the traditional scheme of relations with the Russian regions. The criterion for management decisions are directives from higher authorities, and not the interests of the population. In these sub-localities poorly implemented innovative management technologies to local development are not held serious regulatory and institutional changes at the local level.

Economic development "city-factory" is determined by business interests of corporations located in these cities that are considering locality solely as serving environment - A place of concentration of resources, providing the production and marketing of products (labor, infrastructure, intellectual achievement, etc.). The power of local government in cities such a formality and is limited to the interests of the city-corporation (Amaldoss and Jain, 2015). The welfare of the municipal budget is largely determined by tax deductions city-forming companies, increasing financial and political dependence of the municipal authorities of the corporation. Business relations between the city and the corporation are built on the principle of charity: The corporation helps the city in the implementation of various urban projects.

"Bureaucratic model" of municipal economies is characterized by the desire to improve management efficiency, using public resources

(budget, municipal property). The most common manifestations of this policy - The purchase of shares in the authorized capital of commercial companies, as well as the provision of concessional loans. With this management model municipal economies are transformed into a kind of “municipal corporation” and the mayor - in a “business manager.” The local administration has a dominant position in the city market and controls it completely. There is a merging of business with local authorities, are set high barriers to entry of new businesses to the city market.

The purpose of “the people’s model of” management of local economic development is to create high-quality municipal environment, understood in a broad sense as a set of living conditions of the population and the functioning of economic entities on the territory of the sub-locality (Wu, 2013; Cederburg and O’Doherty, 2015; Hud and Hussinger, 2015). Control of the city is based on the full local self-government implies the existence of a clear mandate and the corresponding stable sources of income. The activities of local authorities’ transparency and accountability are between the people and businesses to create constructive dialogue based on mutual interest.

2. THE MAIN PART

The first two models to some extent determine the nature of the management of local development at the present stage. The third model with a high probability can be currently predominant, but some of its elements are also characteristic of the current stage of development of the local administration. The fourth model is currently little used.

Modern Russian model of building a system of economic management sub-localities based on the provisions of the Federal Law No. 131-FZ (FZ – Federal Law) dated October 06, 2003, “On general principles of local government in the Russian Federation (RF).”

Terms and conditions of formation of the system of local self-government in Russia since the beginning of reform of its political system and the formation of the relationship model of state and local government levels are associated with tough opposition rival power elites. The essence of the local government is often the output is not from his scientific and legal nature, as well as an opportunistic response to the appropriate policy conditions. Today’s priorities and policies in the field of local self-government related to the new state policy of the President of the RF, which in general can be considered as a policy of centralization of public administration.

The interaction of the state and local self-government begins with the definition of the main areas of cooperation that are in legal practice called local issues. On the basis of generalization of foreign practice of granting local governments a certain jurisdiction may be concluded that most of the questions at the local level, if we abstract from their purely legal understanding of the nature of the state.

Based on the practices of interaction between public authorities and local governments author considers it possible to state that

the municipal authority has a number of features inherent in the government: A distinct character of institutionalized; the existence of a separate device-specific exercise this power; continuity in time, the universality, the universality; on the basis of laws and other regulations; the implementation of a specific territory with respect to all individuals within its entities; the possibility of a legitimate use of violence; establishing and collecting taxes; independent budgeting.

It is necessary to draw attention to the fact that local governments cannot independently determine its terms of reference. Unlike the state, the community does not have sovereignty, as its territory there is a territory of the state (Neznamova, 2009; Muir, 2014).

The legal status and functions of local government in the national system of control due to a number of factors, both political and socio-economic. The role and the legal status of these bodies in solving the problems of the state and public always reflect the changes in the organization and the nature of the state, and the organization of local government - A key factor in implementing the rules of the state.

Analysis of the legislation in the field of local government suggests consolidating tough four-level system of local government with the obligatory presence of the representative, executive and administrative body - The local administration, the heads of sub-locality and monitoring body. In addition to these agencies, charter sub-locality can be provided for the establishment and other local authorities endowed with their own powers to address local issues. Legislator proposed a mechanism for a local referendum on the structure of local governments leads to the conclusion that it is objectively diminish the importance of sub-locality charter - A document regulating device municipal authorities, which must be accepted in their own localities after a deep and thorough discussion.

Assessment of the socio-economic situation of municipalities in the conditions of market transformation involves the allocation of the fundamental principles of the economic policy of the state and municipalities.

In our view, we can distinguish the principle of priority, i.e., the concentration of efforts of the state in key areas of sub-regional development through financial, tax and legal mechanisms. Isolation subregional development priorities to avoid egalitarian approach in dealing with sectoral and sub-problems and at the same time allow you to focus on the most important issues of economic and social development.

We believe that the priority approach to economic and social development is one of the main tasks of municipal policy. The methodological basis for the definition of subregional priorities, we believe, is a science-based allocation of sub-regions and economic sectors requiring priority development and applying for a large-scale, efficient and diverse support (Leontieva, 2008).

The study of the socio-economic literature confirms that overcoming emerging challenges should contribute to economic regionalization,

and under it - The allocation of areas for conservation management vertical, which must be endowed with certain powers delegated to both the RF and its subjects. At the same time, they should have their representation in the federal legislature.

Improving economic zoning as a management tool in developing market relations does not mean a radical revision of the criteria and principles of economic zoning developed in the USSR. However, their set today substantially modified and reinterpreted. The priorities areas, in our opinion, are to perform stabilizing functions, the restoration of economic ties, and through them - the economy and the social sphere.

Regulation of relations of the RF and its constituent entities, including municipalities, in our opinion, should be based on:

- Compliance with the principles of voluntary contracts and agreements of non-infringement of third subjects of the RF, the enforcement of contracts and agreements concluded with the necessary resources
- Ensuring the mutual interest of the RF and its subjects in the realization of strategic national goals
- Observance of statutory of powers between the state authorities of the RF and its subjects, land use, ownership and use of natural resources and other forms of public property
- Established subsoil licensing procedure
- Unified budgetary system, registered in the formation of budgets of all levels of financial and tax potentials of each subject of the RF, on the control of allocated funds, etc.
- Hard indicative planning with limited financial resources (Rabko, 2001; Faure, 2014).

Believe that the interaction of federal and state authorities of subjects of the RF due to the slow development of federalism is becoming more stringent. Currently, there are a number of shortcomings in the economic mechanism of federal relations. They are different and are not coordinated with each other forms of financial support subregions, which leads to two, sometimes four times the support of the same subject maintenance budget from the federal budget. Financial support is not divided into current and capital expenditure budgets, subregional, and it does not allow precise control of spending. Because of the existing deficiencies in the financial support of the subregions violate the fundamental principles of the Constitution of the RF - The equality of rights in relations between the subjects of the center. As a result, overstated the cost of the federal budget, the development of incentives to disappear from subsidized sub-regions. The variety of uncoordinated forms of financial support - A direct consequence of the lack of science-based forecasts of real needs in it. It eventually erodes the investment unit of the federal budget and the financial support of development programs that lead to the preservation of the decline in production.

Thus, the budgetary powers of the RF sub-localities defined by the Federal Law "On Amendments to the Budget Code of the RF regarding regulation of inter-budgetary relations" of August 20, 2004 No. 120-FZ of include, in particular:

- Preparation and review of the draft of the local budget, approval and execution of local budget, exercising control

over its execution, drafting and adoption of the report on the implementation of the local budget

- The establishment and execution of expenditure obligations of the municipality
- The provision of intergovernmental transfers from local budgets
- Implementation of municipal borrowing, municipal debt management
- Detailing objects budget classification of the RF in the part pertaining to the respective local budgets
- The establishment of norms of deductions to the budgets of settlements from the federal, state and local taxes and fees
- Establishment of procedures and modalities of intergovernmental transfers from the budget of municipal district budgets of urban and rural settlements, the provision of budgetary transfers from the budget of the municipal district budgets of urban and rural settlements
- Definition of the objectives and procedures for granting subventions from the budgets of settlements in the budgets of municipal districts
- Preparation of the report on the execution of the consolidated budget of the municipal district
- Establish procedures for drawing up, approval and execution of income and expenditure of individual settlements, municipalities are not included in the territory of the settlement.

It should be noted that the problems faced by the Russian budgetary system at the end of 2008 and in 2009 during the economic crisis, demanded certain changes the Budget Code of the RF. For example, the Federal Law of April 9, 2009 No. 58-FZ "On Amendments to the Budget Code of the RF and Certain Legislative Acts of the RF", which had been weakened by restrictions imposed by Art. 139.1, the size of other intergovernmental transfers provided from the budget of the RF, local budgets. The volume of other intergovernmental transfers may exceed 10% of the total transfers (without subsidies) in the amount of grants to support measures to balance local budgets (Goncharov, 2009).

However, under the Law "On the Federal Budget for 2010 and for the period up to 2012". It saved a number of significant issues specific to the system of intergovernmental fiscal relations in the RF:

- Insufficient fund of financial support of regions and unfairly low share of grants in the total amount of intergovernmental transfers;
- Sufficiently large number of subsidies (including small-scale), calling into question the effectiveness of the existing system of differentiation of account powers between levels of government;
- Excessive amount of subsidies when insufficiently transparent and effective system of distribution.

Limited own resources to ensure sustainable socio-economic development of the majority of Russian sub-localities determines their competition to attract into its territory of new and expansion of existing business entities, for which a significant factor deciding on the location and facility investment is the amount of transaction costs (Goncharov, 2009; Gurieva, 2015).

In the structure of total expenses of Russian entrepreneurs account for a significant proportion of the costs of overcoming administrative barriers and corruption communications services. This trend is due not only manifestations of rent-seeking officials, but also the initiative of entrepreneurs trying to influence the decisions of government bodies at various levels. According to the study conducted by the "INDEM," most such attempts are undertaken in relation to the authorities at the municipal level - about 64% of cases.

In addition, most of the leaders of local governments in Russia, in contrast to the countries of Western Europe and North America, do not have professional management education. The poor quality of municipal management - One of the main causes of ineffective regulation of economic activity at the local level (Goncharov, 2009). Because of the relatively low wages of municipal employees going flow of skilled personnel from municipalities in the regional and federal levels of government.

Which came into effect July 1, 2009 the Federal Law of December 26, 2008 No. 294-FZ "On the protection of the rights of legal entities and individual entrepreneurs in the exercise of state control (supervision) and municipal control" is intended to avoid duplication of state and municipal control, limit the ability of municipal officials putting pressure on the business with the use of checks.

However, analysis of small and medium-sized enterprises showed that municipal control (supervision) is often more onerous for businesses than the public. This is partly explained by the fact that activities of public servants in the field of control (supervision) are procedurally defined in detail in comparison with the activities of municipal inspectors. Excessive administrative pressure on businesses at the municipal level due to the lack of effective mechanisms to ensure the validity of interference in their activities for the purpose of control (supervision).

The impossibility of obtaining high-quality services of municipal employees are often due to the development of social networks aimed at establishing corrupt relations between the authorities and business. Many entrepreneurs' excessive administrative barriers are perceived as a restriction of competition and the effect of corruption in government, which contributes to the spread of stereotypes about the impossibility of productive cooperation with the authorities without payment of additional remuneration to officials.

Analysis of the content of strategic plans for socio-economic development of municipalities showed that the factor of high transaction costs are not fully taken into account. In particular, the study examined the strategic plans do not provide for better regulation of economic activity at the local level to create favorable conditions for business development and ultimately schetë, on this basis, the welfare of every citizen sub-locality.

Many of the measures the federal government to reduce administrative barriers, which are currently characterized by excessive, change the regional or local authorities, departmental

regulatory acts. In some cases, developed at the federal level are complemented by measures on the ground, which increases their efficiency and improve the socio-economic situation of regions and municipalities (Tsvetanov and Segerson, 2013). For example, in the Republic of Tatarstan actively developed their own regional development programs, objectives of which are to create favorable conditions for the emergence of new participants in the commodity markets. The program provides for measures to create the logistics, trade, energy, information infrastructure necessary for the development of economic activity.

Some municipalities carried out active support of small and medium-sized businesses. For its implementation, in particular, can be created municipal funds to support entrepreneurship, the main activities are: Consulting on entrepreneurial activities, provision of business incubator, registration of legal entities and individual entrepreneurs, legal address, office services, personnel services.

At the same time, there are cases when the federal government initiative designed to improve the socio-economic situation, local authorities interpreted in such a way that the resulting effect of the measures implemented is close to zero. You can give an example of the interpretation of the norms of the Federal Law of December 26, 2008 No. 294-FZ "On the protection of the rights of legal entities and individual entrepreneurs in the exercise of state control (supervision) and municipal control," limiting the duration of inspections of businesses 50 h. The establishment of 50-h limit duration of inspections ignored under the pretext of action against restrictions of one type of control (supervision), which, in turn, can be counted a few dozen.

The analysis of the management of the development of economic systems, sub-regional level in Russia showed that the effectiveness of management is low, does not meet modern requirements for quality management of the business environment in the region.

The activities of the municipal authorities (as well as at other levels of the regional management of the economy) are pronounced rent-seeking approach, a significant proportion of managers do not have the necessary qualifications for this activity, and this problem is common to most countries.

Reduction of the tax base of municipalities, the ever-increasing volume of unsecured authority aggravates the financial situation in municipalities.

The low share of own revenues in the budgets of municipal formations leads to the fact that the efforts of local authorities to build their revenue base does not lead to an increase in revenues of local budgets, and at best to stabilize, often to reduce. This is done both through the reduction in statutory transfers and through transfer of all taxes on the largest taxpayers in the budget of the federation. With this approach, local governments have no incentive to increase the tax base.

Elaborated in relation to the manufacturing industries integrated organizational structure cannot directly apply to this area as a territorial economy, because of its multidisciplinary nature, the

unsubordinated many participants, as well as strongly pronounced social mediation economic practices (Jankowski, 2014; Hirschman and Berman, 2014). This calls for further studies of organizational and financial processes in the sub-localities in a characteristic are currently volatile environment, and the development of original models and schemes of integration interaction of members of the territorial economy, ensuring the implementation of a mechanism aimed at steady growth in the living standards of their population (Cherniwchan, 2012; Gurieva, 2013).

The economic system of the modern sub-locality is a very complex territorial and economic education, with a range of quality of social and economic integration, aimed at solving the problems of progressive development of society and ensures its existence in manufacturing and services. Being poorly structured organization, farm town, village, administrative area within a limited area combines a variety of economic actors, goal-oriented to achieve a certain effect on its activities; however, in the modern setting coordination functions of the relevant administrative structures in some areas because of ineffective organizational disorder sets located on the territory concerned entities. This necessitates the invention of new forms of organization of territorial management, inherent to modern concepts of efficient economy sub-localities.

In the post-crisis limited resources of the Russian economy is exacerbated by the need to find new channels of investment territorial economy, including may become investment cooperation of regional administrations and municipalities with associates in the resort and recreational clusters of enterprises, as well as the economically active population (landlords, agricultural producers, artisans and others). Cluster form structuring territorial and economic spheres at the level of subordinated localities able to, on the one hand, to give it additional organizational and structural order, a predisposition to the development of innovative, on the other - To perceive the motivation of business activity, the inherent cost-free business organizations and individual entrepreneurs.

Construction of territorial-economic cluster on the principles of network organization informs him of organizational and structural flexibility, adaptability changing environment, the ability to expand the membership, predisposition to business-process forms of management.

The effective functioning of the cluster in the ways of innovative development is possible if building a system of interaction between the participants in a new Instrumentation and methodological basis by supplementing the federal and regional tax regulation tools, expanding the forms of regional and municipal support of investment activities of institutional regulation. Program-oriented regulation of investment activity of territorial and economic clusters sub-regional localities possible on the basis of systematic monitoring of financial processes in the organization and the environment, in-depth analysis of the status and prospects of development of the territorial economy and the inclusion in the effect of various scale and degree of importance of levers and incentives business.

3. CONCLUSIONS

Strictly portioned use of budgetary funds areas for investment projects in sub-localities on the principles of co-financing is intended to contribute to the expansion of the number of investors and the volume of funds invested in this area of the territorial economy. In a place with those conducted in the present study the analysis of publications and case studies show that only a small part of the sub-localities actually developed the strategy, regional socio-economic development of municipalities. The implementation of differentiated policy of regional alignment implies a typology of sub-regional development of the territories, followed by the procedure of determining specific development goals and objectives for each group of territories. In addition, the management of economies of sub-regional level in the countries with economies in transition is inherent to hide information about their activities. Transparency in transition economies are not yet perceived as an advantage in terms of image area.

In conclusion it should be noted that talking about the establishment of the Russian Institute of effective management of the economy sub-localities currently premature, if understood by the institute not only formal framework and informal components of the management of economic development.

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