

EDN: JNMAMR
УДК 338.98

Modern Approaches and Directions for Developing an Institutional System of Regional and Municipal Management

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Received 03.03.2024, received in revised form 07.11.2024, accepted 18.11.2024

Abstract. The article analyzes the management system for spatial development of a constituent entity of the Russian Federation, analyzes the functions, powers and procedures of regional authorities from the position of ensuring unity and interconnection between the regional and municipal levels of government. The modern problems of managing the socio-economic development of the region are studied in the context of the development of a new system of state and municipal management. As a result of the analysis and generalization of the institutional aspects of the activities of state and municipal government bodies, the processes of regional planning and forecasting, features of the development of the institutional structure of management have been identified, directions for the formation of an integral system of management of regional and municipal development have been proposed, as well as the main elements of the mechanism of state and municipal management in the new social conditions-economic development of the Russian Federation. The study is conducted on the basis of the constituent entities of the Federation and municipalities and may be of practical interest for regional and municipal authorities. In addition, this study can serve as the basis for the development of methodological and methodological aspects of regional management in the Russian Federation.

Keywords: regional and municipal management, strategic planning, institutional structure

Research area: Social Structure, Social Institutions and Processes; Economics.

The research was carried out with the plan of research work of IEIE SB RAS, project “Regional and municipal strategic planning and management in the face of upgrading public regional policy and digital economy development”, № 121040100283–2.

Research area: Social Structure, Social Institutions and Processes; Regional Economics.

Citation: Novoselov A. S. Modern approaches and directions for developing an institutional system of regional and municipal management. In: *J. Sib. Fed. Univ. Humanit. soc. sci.*, 2024, 17(12), 2394–2401. EDN: JNMAMR



Современные подходы и направления разработки институциональной системы регионального и муниципального управления

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Аннотация. В статье проводится анализ системы управления пространственным развитием субъекта РФ, анализ функций, полномочий и процедур деятельности региональных органов власти с позиции обеспечения единства и взаимосвязи между региональным и муниципальным уровнями управления. Исследованы современные проблемы управления социально-экономическим развитием региона в условиях разработки новой системы государственного и муниципального управления. В результате анализа и обобщения институциональных аспектов деятельности государственных и муниципальных органов власти, процессов регионального планирования и прогнозирования выявлены особенности развития институциональной структуры управления, предложены направления формирования целостной системы управления региональным и муниципальным развитием, а также основные элементы механизма государственного и муниципального управления в новых условиях социально-экономического развития Российской Федерации. Исследование проводится на базе субъектов Федерации и муниципальных образований и может представлять практический интерес для органов регионального и муниципального управления. Кроме того, это исследование может служить основой развития методологических и методических аспектов регионального управления в Российской Федерации.

Ключевые слова: региональное и муниципальное управление, стратегическое планирование, институциональная структура.

Статья подготовлена по плану НИР ИЭОПП СО РАН, проект «Региональное и муниципальное стратегическое планирование и управление в контексте модернизации государственной региональной политики и развития цифровой экономики» № 121040100283–2.

Научная специальность: 5.4.4. Социальная структура, социальные институты и процессы (социологические науки); 5.2.3. Региональная и отраслевая экономика.

Цитирование: Новоселов А. С. Современные подходы и направления разработки институциональной системы регионального и муниципального управления. *Журн. Сиб. федер. ун-та. Гуманитарные науки*, 2024, 17(12), 2394–2401. EDN: JNMAMR

Introduction

The need for scientific research into problems and justification of directions for regional management has recently increased significantly. This is manifested in increased interest

in the study of problems in the theory and practice of strategic management at the level of regions and municipalities, in the search for ways to increase the efficiency and effectiveness of state and municipal management, as well as in

the scientific substantiation of adopted regulations and provisions relating to the structures and mechanisms of strategic management processes socio-economic development of regions.

The formation of methodological approaches to the study of problems of managing the regional economy in the process of evolutionary development takes place in several directions. The first direction includes the study of problems of strategic planning and management of the processes of formation of the regional economy, as well as its individual elements (Bryson, 2018; Elbanna, 2016). The formation of the second direction is associated with the development of economic relations in the regional system, on the one hand, and the spread of innovations in the regions, on the other, which led to the appearance of works devoted to the analysis of relationships in the process of managing regional innovations and investments (Dibrell, 2014; Dimand, 2022).

The third direction arose under the influence of economic globalization processes and includes a large number of works devoted to the analysis and management of regional development processes within the global economic system (Blair, Carroll, 2008; Johnsen, 2022). Simultaneously with these studies, a fourth direction is being developed, including research based on a system-integrated approach to the strategic management of the regional economy (Hendrick, 2003; Bennett, 2012).

In Russian economic studies, the problems of strategic regional management are analyzed from the point of view of various aspects: the relationship between the elements of the institutional system of economic management of the region, ensuring comprehensive socio-economic development of the region, coordinating the interests of the state and regions, solving problems of socio-economic development of the region based on the use of their competitive advantages, issues of integration and independence of regions in a single economic space, problems of inequality in the social and economic development of regions (Bukhvald, 2023; Kleiner, 2023; Bakhtizin, 2022).

The economic literature examines various levels of strategic management – federal, regional and municipal, which differ in the scale

of the tasks being solved, methods and mechanisms for attracting investment resources. At the same time, regional authorities play a dual role: as objects of federal regional policy and at the same time as the main subjects of federal policy. At the same time, the problems of division of powers between levels of government and the emergence of contradictions associated with the weak financial base of regions and municipalities have not been sufficiently studied (Kryukov, Seliverstov, 2022; Zambrovskaya, 2022).

The formation of the theory of regional management is at a stage of intensive development; economists have not yet formed a consensus on some theoretical and methodological issues, and terminological unity has not yet been determined. In modern works on the problems of regional management, the region is studied as a multifunctional and multidimensional system. Its four paradigms are most widespread: “region-quasi-state”, “region-quasi-corporation”, “region-market”, “region-society” (Granberg, 2009).

Carrying out a comparative analysis of various scientific schools and approaches to the study of problems of managing regional development, it should be noted that they are based on the achievements of macroeconomics, microeconomics, institutional economics and other areas of modern economic science. The similarity of the region and the national economy determines the possibility of applying macroeconomic calculations to the region, especially those whose authors prioritize production factors, employment and income; the concepts of regional macroeconomics are closer to the “region-quasi-state” paradigm. Microeconomic developments are typically used when interpreting a region as a “point” or “homogeneous space” is insufficient when internal differences need to be identified. The theory and methodology of microeconomic analysis are more consistent with the “region-quasi-corporation” and “region-market” paradigms. The evolution of theories and methodological approaches to the analysis of regional management problems reflects the increasing role of social goals and factors of economic development, expanding opportunities for interdisciplinary research and the imperative for

regions to transition to a model of sustainable development.

An analysis of the world economic literature shows that the formation of theories and approaches to the study of problems of managing the regional economy in the process of evolutionary development took place in several stages (Blair, Carroll, 2008; Bryson, 2018; Amoo, 2022).

At the first stage, the main attention was paid to planning and managing the processes of formation of the regional production system, as well as individual elements of regional financial relations. At the second stage, the complication of economic relations in the market system, on the one hand, and the development of economic and mathematical research methods, on the other, led to the appearance of works devoted to the analysis of relationships and management of intra- and interregional commodity and financial flows. With the development of information systems in the economy, the scope of planning and management activities included information flows related to commodity exchange and financial and credit operations between economic entities of the region, as well as the provision of various information services.

At the third stage, under the influence of globalization processes, a large number of works appeared devoted to the processes of integration of regions into the world system. In parallel with these studies, the direction of a systematic approach to managing the regional economy is actively developing. Within this direction, the system-structural approach has become most widespread, which involves the analysis of commodity, financial and information flows in the regional economy based on various modifications of models of material and financial balances and matrices of interaction between subjects – production, trade, financial and credit sphere, households, regional government bodies, etc.

Methodology and research methods

The methodological basis of the study is the theory of regional reproduction. This methodology makes it possible to provide a comprehensive study of economic interests and contradictions of spatial development, forms

and methods of their resolution, as well as to substantiate management functions at various levels of the regional system (Shniper, 1991).

The research methodology is based on the development of a matrix of interests for analyzing economic contradictions between the subjects of the process of socio-economic development and justifying the necessary management influences on the behavior of participants in this process. A distinctive feature of the methodological approach based on the use of a matrix of interests is that this approach makes it possible to involve all subjects of the regional reproduction process in strategic management, enabling the subjects themselves to more clearly and reasonably present their goals, opportunities and problems with which their development is associated.

To ensure the effective development of the regional economy and resolve socio-economic contradictions, it is important to promptly identify contradictions that arise when various interests intersect in order to prevent conflicts and associated negative consequences. This is important for developing a policy for effective interaction between government and business in solving common problems and joining forces for the practical implementation of the tasks of economic and social development of the region. The whole variety of interacting economic interests that should be taken into account in the management process can be summarized in the following groups:

- federal interests (related to the tasks of implementing federal programs and developing the country's economy);
- regional interests (related to ensuring a balanced, integrated development of the region as a whole and its active participation in interregional interaction in solving state problems);
- interests of enterprises and organizations of various forms of ownership, which are expressed in the implementation of intra- and interregional economic relations;
- interests of the population represented by various public organizations.

The interests and capabilities of the subjects of socio-economic development do not coincide. This is precisely what explains the lack of tangible achievements in transforming

the technological basis of the economy and its outdated structure. Formation of a management system is a search for ways to combine the interests of interacting structures.

Each of the listed structures of these groups is formed taking into account the achievement of long-term goals. The listed groups are structurally organized management objects. The presence in each of them of mechanisms for regulating intra-system relations makes it possible to establish long-term, stable financial and economic ties. An assessment of these relations from the point of view of market principles allows us to speak about the appropriateness of the interaction of economic interests.

It should be noted that the implementation of the logic of managing the Soviet economy was ensured by an interconnected institutional system. The concept of "institutional system" is not just capacious, but comprehensive, requiring specification in relation to the object of study. The institutional system of state, regional and municipal governance is a set of legislative norms and organizational structures that determine the contours of the environment for making management decisions that ensure the development of the economy and social sphere of the Russian Federation and its regions.

The collapse of the Soviet economy suggests that its institutional system was not effective enough, but, nevertheless, it ensured the creation of the world's largest economy, the development of industry, and the implementation of large-scale economic projects. And to this day, despite the destruction of the unified national economic complex, the Russian economy allows the country to ensure independence and security.

The discussion of the results

The conducted research shows that the basis of a new model of regional strategic management should be the formation of an institutional environment that ensures increased competitiveness of the economies of regions, cities and districts, which will create the necessary conditions for the growth of financial potential and sustainable development of regions and municipalities.

Since the regional development management system is a combination of three intercon-

ected subsystems – institutional structures, planning and forecast documents defining goals and strategic directions of development, and tools for influencing the socio-economic system – its effectiveness will depend on the interconnectedness of these subsystems, their mutual consistency and the ability to ensure a combination of interests of all interacting subjects of the regional economy.

The content of the institutional management system at the regional level, the instruments of the state regulation mechanism are determined, on the one hand, by national economic policy, and, on the other hand, by regional policy, taking into account the peculiarities of the development of regions of various types.

Research shows that in the conditions of the Russian Federation the state must play a decisive role in preventing depressed states of the regional economy by regulating the inter-regional distribution of income, concentrating monetary and other resources to actively influence market processes. At the same time, the role of state regulation of market processes is to stimulate demand with the help of monetary and budgetary instruments, among which great importance is attached to the issuance and placement on the market of large government loans to cover the budget deficit.

An effective institutional management system at the regional level must meet the following criteria: on the one hand, be democratic, and on the other, have sufficient regulatory influence aimed at achieving the desired results, use a system of socio-psychological motivations, be simple enough to understand, be based on practical experience, be adaptive, take into account long-term interests, stimulate progressive development.

Trends towards increased government regulation of the regional economy are also due to other factors. Socialization of the economic system, strengthening the economic base of state regulatory institutions leads to the formation of a model of a controlled society. As a result of the increasing role of social, environmental and political factors in the development of the modern economy, a wide variety of institutions are being formed that take part in managing the economy of the region.

The conducted research shows that the effective impact of state institutions on the regional economy should be carried out through the creation of a favorable external environment for business. State regulation is also intended to ensure, firstly, the safety of goods and services for consumers, compliance with environmental requirements in the production process, etc., and, secondly, support for private business on the basis of various forms of financial support, protection from unfair competition, etc. Thus, public administration institutions are considered from the perspective of business interests, the implementation of which will ensure the fulfillment of the interests of society as a whole.

The institutional system for managing the region's economy includes various forms and methods of influencing the external environment of business operation, which determines the rules of behavior of economic entities and establishes certain parameters within which the coordination of the interests of private business and society as a whole is ensured.

An analysis of the problems arising in the process of reforming regional and municipal governance allows us to formulate the main directions for the formation of a new institutional system of state management of the regional economy.

The criteria for increasing the efficiency of the new institutional system of public administration should be: bringing the quality indicators of regional governance closer to the level of developed countries, compliance with public service standards, increasing the efficiency of procurement for public needs, reducing the costs of regional economic entities for receiving public services, increasing the level of consumer satisfaction with the quality of public services, reducing business costs associated with excessive government regulation, reducing corruption losses in the economy, increasing the measured level of public trust in the state.

The final results of the formation of a new institutional system of public administration are increasing the competitiveness of the region's economy, improving the investment climate, increasing the quality of life, increasing controllability at the regional and municipal level, increasing the efficiency of budget ex-

penditures, and strengthening the consent of the regional community.

The Russian experience of the last ten years clearly shows that to achieve the goals of effective regional governance, it is not enough to formulate them, provide a legal framework and develop an action plan. In order to achieve significant socially significant results, it is necessary to introduce an institutional results-based management system that links the goals, activities, and resources necessary to achieve management goals. This system uses a project management mechanism, the use of which allows for control not only at the stage of decision-making, but also at the stage of their execution.

The introduction of this mechanism is equally important for the formation of a new institutional management system as a whole, and for solving many other problems related to the implementation of structural changes in the economy. Work on its practical application should be carried out in close connection with the introduction of a mechanism for goal setting and budgeting based on results.

The creation of a results-based management mechanism implies that within the relevant regional governance institutions it is necessary to identify specific individuals responsible for achieving priority goals, providing them with the resources to achieve them. It is advisable to introduce a strategic planning system; the outcome indicators should be supported by realistic plans for achieving these results, and the plans should contain intermediate values of strategic indicators as we move towards the goal. Indicators should be based on information available online to enable ongoing monitoring of plan implementation.

Operational monitoring should be aimed at timely identification of deviations from the planned trajectory of movement, at the same time, monitoring allows identifying best practices that need support and dissemination. It is advisable to develop a mechanism for adjusting actions to implement the relevant program in the event of an increase in the risk of non-fulfillment, as well as to ensure constant attention to the process of monitoring the progress of implementation on the part of the leadership of the subject of the Federation.

The main direction of the formation of an institutional management system is the introduction of results-based budgeting methods, the transition to the distribution of budget resources between administrators of budget funds and the budget programs they implement, taking into account the achievement of specific results, increasing the financial independence of budget planning subjects based on strengthening their financial management. This will become possible on the basis of an inventory of expenditure budget obligations of budget planning subjects in conjunction with the register of state and municipal services.

In addition, there is a need for a transition to the distribution of budget resources between managers and recipients of budget funds, budget programs, depending on the planned level of achievement of their goals, in accordance with the medium-term priorities of regional socio-economic policy and within the limits of the volumes of budget resources projected for the future, and also the creation of a system of effective contracts in the relationships between subjects of budget planning, managers of budget funds and budget recipients.

An important direction in the formation of a new institutional management system is the identification of necessary and elimination of redundant management functions, as well as maintaining the optimal composition of functions aimed at eliminating ineffective government intervention in the economy. In order to abolish the powers and functions of regional management institutions that are recognized as redundant, changes to the current legislation should be developed and adopted.

The development of institutions and mechanisms for self-regulation of the processes of socio-economic development of the region will also improve the efficiency of regulation of activities. Self-regulatory institutions such as liability insurance and participation in compensation funds can provide more effective consumer protection than government methods

such as licensing. As a result, it will become possible to develop effective self-regulatory institutions, to which some of the functions currently performed by state and municipal government bodies can be transferred.

In order to increase the trust of the local community in regional governance institutions, it is necessary to create a system for timely informing the population of the region about the activities of state and municipal institutions, allowing them to influence the decisions made of social significance.

To ensure openness of the activities of management institutions, it is necessary, firstly, to ensure real access to information about the activities of state and municipal management institutions through publicly available information systems; secondly, create (or improve) user-friendly portals of regional and municipal governments containing the necessary information for business and the population; thirdly, create effective channels for the regional community to influence decisions made through public discussions, holding mandatory consultations in the early stages decision-making, public examination of socially significant decisions.

Thus, as a result of building a new institutional system of regional management, it will be possible to make decisions that are realistic from the point of view of the availability of appropriate financial and economic capabilities of the region, to interest business structures located in the region in solving regional tasks to strengthen the competitive position of the region, increasing its financial and economic potential, creating conditions for business that ensure the economic feasibility and profitability of participation in solving regional problems.

It will also be possible to concentrate activities on the development of promising economic clusters, on solving intersectoral and border issues that are important for each individual production located in the region, but can only be resolved on the basis of intersectoral interaction.

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