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ENSURING THE SOCIO-ECONOMIC SUSTAINABILITY OF A SINGLE-INDUSTRY MUNICIPALITY THROUGH STRATEGIC PLANNING

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Abstract

The study outlines promising areas of socio-economic development of a single-industry municipality – a single-industry city. Possible scenarios of long-term socio-economic development based on the analysis are proposed, and a development strategy until 2035 is developed. The trends in the development of critical sectors of the regional economy were studied. The article presents an analysis of the state of business infrastructure, natural resources, and the environmental situation, human capital, and living standards of the urban district. It was proposed to develop a strategy for socio-economic development on the example of the Myskovsky urban district for ensuring the socio-economic stability of the region. One of the most critical components of a municipality's strategy is the development of a SWOT analysis, which includes an assessment of its situation, an analysis of the performance of enterprises and institutions located on its territory. The result of the work was the developed long-term strategy for the socio-economic development of the Myskovsky urban district. This strategy includes the development scenarios of the municipality and the rationale for choosing the basic scenario for the municipality development. This strategy involves the development of a tree of goals and determination of priorities and tasks of socio-economic policy in the context of the main directions and target indicators of the socio-economic development of the municipality. The results can be used by the authorities of the constituent entities of the Russian Federation and local governments in the development of strategic planning documents.

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1. Introduction

A long-term basis for the growth of well-being and quality of life of the population of the Russian Federation is a competitive, innovative economy. At the same time, single-industry towns, whose residents are in the zone of high socio-economic risks, continue to occupy a significant place in the Russian economy. The emergence of single-industry cities is a typical consequence of the industrial development of many countries when municipalities arose around the same large or similar industries. The single-industry regions, in particular, those engaged in raw materials and metallurgical industries, in principle, cannot be stable due to constant fluctuations in world prices for their products. In times of crisis, they reduce production and personnel more than others (Zubarevich, 2011). The necessary changes in the structure of the Russian economy and its modernization are possible only with the expansion of competition, the introduction of innovations in all spheres of economic activity. The choice of the path to these changes should go through the formation of an active policy of interaction between the government, large industrial enterprises, and small businesses. Meanwhile, the unique resource potential of the territory of Russia should contribute to the development of the economy but should not be the only factor in the development of single-industry regions (Zainutdinov, 2015).

In recent decades, solving the problems of single-industry towns, managing and stimulating their socio-economic development has been a matter of grave concern and discussion, both in developed and developing countries (Bartik, 2009; Bullock, 2013; Johannisson, 2015; Maier & Trippl, 2011). At the same time, methodological issues of strategic planning for the development of single-industry towns were repeatedly considered in Russian publications, including in the context of comparing international and Russian experience (Bukalo, 2014; Oborin et al., 2017; Rokhchin, 2005; Zamyatina & Pilyasov, 2016). The research substantiates the need to use the methods of socio-economic territorial strategic planning and does not deny the possibility of correcting the planning errors of the "industrial" development period, taking into account changes in external factors, the dynamics of the development of municipalities as a system and improving forecasting and planning methods (Oborin et al., 2018).

At present, the theoretical problems of managing the socio-economic development of single-industry municipalities have been widely discussed. The critical areas for solving the problems of single-industry cities in our country are officially recognized as reengineering of existing business processes, budget co-financing of investment projects for infrastructure development, diversification of the city's economy, and stimulation of migration (Trifonov et al., 2017). Diversification of the economy of municipalities is based on the implementation of legal, financial, economic measures to influence the activities of economic entities of the territory (Porokhin et al., 2016).

However, the issues of diversification, modernization, and sustainable development of the economy of single-industry towns of the Russian Federation remain relevant and require further study. There is no doubt that the development of scientific tools, including methods for analyzing the socio-economic situation and the directions of the strategic development of single-industry territories that ensure socio-economic stability, is an urgent task of Russian scientists. Moreover, strategic planning for the development of a single-industry territory is essential for all stakeholder groups.

2. Problem Statement

Strategic planning is an integral attribute of modern theory and practice of managing various territories, such as countries, regions, and municipalities. The regions of the Russian Federation, on the territory of which mono profile municipal entities dominate, experience specific difficulties that determine the specifics of regional economic development and their place in the division of labor and are at the same time a source of risks and problems (Antipin, 2018).

Typical examples of constituent entities of the Russian Federation with a predominance of single-industry municipalities are Sverdlovsk, Chelyabinsk, Kemerovo, Nizhny Novgorod regions, the republics of Karelia and Khakassia. The Kemerovo region is the leader in the Russian Federation in the concentration of single-industry towns, including 24 single-industry towns, where the industrial and production potential of the region is concentrated, and 70 % of the region's population lives. The core business for two-thirds of the Kuzbass single-industry towns is coal mining, for the rest, metallurgy, and industrial sectors, whose products are mainly exported. This situation determines the severity and scale of risks for sustainable development not only for single-industry education but also or the region as a whole. The monotowns of Kuzbass have joint problems and development goals, due to industry characteristics of city-forming enterprises and industry trends. But significant differences in the socio-economic situation of the Kuzbass single-industry towns and their classification into different categories actualize the problem of strategic planning for the development of the territory, taking into account the category of the single-industry town and its local specificity. The urban district – the city of Myski – by order of the Government of the Russian Federation dated July 29, 2014 No. 1398-r was included in category 2. Category 2 is a category of single-industry municipalities of the Russian Federation (single-industry town), in which there are risks of worsening socio-economic situation. In this regard, the justification of the strategic choice (goal) and priority areas for the development of the city of Myski becomes an urgent problem. The strategy should be developed based on an economic and sociological analysis of the real situation in the municipality, using existing and developing new research tools.

3. Research Questions

In strategic planning, it is necessary to take into account the starting conditions, external and internal influence, interests of the population and enterprises when developing documents for strategic planning of municipalities. Based on the analysis of these factors, it is possible to identify the goals and priorities of the development of the city (Mingaleva et al., 2017).

The subject of the study is a comprehensive socio-economic system of the municipality of Myskovsky urban district. On the example of the municipal formation of the Myskovsky city district, the designation of modern challenges is carried out, the purpose and development scenarios are substantiated as part of the creation of a strategy for the socio-economic development of the single-industry territory.

4. Purpose of the Study

The study outlines promising areas for the development of a single-industry municipality. Also, possible scenarios of long-term socio-economic development based on the analysis are proposed. The

study aims to develop a strategy for a single-industry municipality – the city of Myski until 2035. In formulating the strategy, the data of the Federal State Statistics Service, the materials of official forecasts in the field of socio-economic development of the Myskovsky urban district, the Kemerovo region and the Russian Federation were used both in the medium and long term. The strategic plans of large district organizations were also taken into account.

5. Research Methods

The methodological basis for the study is the use of a combination of various methods, such as system analysis, synthesis, comparison and generalization, multivariate statistics, methods of expert and economic-mathematical estimates.

6. Findings

Currently, the municipality is a sophisticated and complicated system. Corporate formation assumes the presence of many related and relatively independent social, sectoral, and industrial units that require particular and universal approaches. This system is closest to the population – the end-user of management activities. In this regard, there is a need for the formation of urban policy and the determination of priority development areas that ensure the socio-economic stability of the municipality. At the same time, the successful transformation of the management of municipalities in current conditions should be oriented toward the future. One of its primary functions is strategic planning and management of the socio-economic development of the municipality.

Achieving the socio-economic sustainability of a municipality is possible through the development of a development strategy for a given municipality. One of the weaknesses of strategic management was and remained to monitor the implementation of plans and programs, the achievement of planned indicators (Ershov, 2014). For the successful implementation of the strategy developed by the authors in practice, it is necessary to determine the timing and stages of its implementation correctly, as well as to conduct timely monitoring.

Based on the results of the SWOT analysis, quantitative values were determined that determine the position of the region. According to the results obtained, in total, the opportunities of the Myskovsky urban district prevail over threats by 0.75 points. The prevalence of weaknesses over strengths by 0.5 points indicates the lack of stability of the city of Myski. It should be noted that the municipality has financial, technological, and natural-climatic resources, but these opportunities do not contribute to solving the apparent mono-dependence of the city. Currently, the economy of the municipality is non-diversified, with a constant outflow of the population. The creation of organizations and enterprises of a diversified orientation on the territory of the Myskovsky urban district will increase social and economic stability and solve an urgent problem. Based on the analysis, it is possible to identify promising sectors of the Myskovsky urban district, which can significantly affect the development and stability of this territory.

Through SWOT analysis of the Myskovsky urban district, three scenarios of long-term socio-economic development were developed – inertial, optimistic, moderately optimistic.

The inertial, conservative approach involves the development of the city's economy following the trends of the past period. Conditions and features of the urban environment are preserved. The primary specialization of the municipality in the extraction of fuel and energy minerals and energy is strengthening. With the inertial development of the economy, the city will face the problem of limited growth limits associated with the exhaustion of its resource base. Namely, with the exhaustion of natural and human resources, the deterioration of the environment, and other resources.

An optimistic and innovative scenario is focused on the development path based on new relations between the local community, business and government, and new options for municipal management. The development of the Myskovsky urban district, according to this scenario, involves avoiding mono-dependence through diversification of the economy. The implementation of this scenario provides a higher standard of living for the population. It is assumed that the high pace of development of small and medium enterprises, the formation of a brand of the urban district will make the investment attractiveness of the municipality.

The following measures will contribute to the implementation of the innovative development scenario of the Myskovsky urban district on the part of the Municipal Administration:

- stimulating the growth of medium and small enterprises by implementing measures of financial, informational and administrative support;
- stimulating the modernization of industrial enterprises and the opening of new production areas;
- ensuring the sustainable development of new areas of activity – the formation of a tourist-recreational complex and an agro-industrial complex;
- development and implementation of social incentive measures to attract qualified specialists to the city;
- the development of national culture and traditions of the indigenous people (Shors) and the creation of an ethnocultural center;
- improving the environmental situation through land reclamation and restoration;
- branding of the territory as a positive and recognizable urban district.

A moderately optimistic scenario assumes a gradual, moderate pace of development of the urban district with a gradual exit on an innovative trajectory. In the framework of this scenario, it is planned to actively explore the possibilities of increasing the internal resources of the Myskovsky urban district, introduce breakthrough technologies in all areas of activity. Priority directions of diversification of the economy of the urban district are determined, the necessary conditions for their development are created. Purposeful work is underway to change the image of the municipality as an investment-attractive, economically, and socially developed the urban district.

Based on the SWOT analysis of the municipality, the most likely to be implemented during the planning period is a moderately optimistic scenario. It should be noted that the inertial scenario does not meet the target indicators of the developed strategy for the socio-economic development of the city. The implementation of the optimistic scenario is the least likely due to the significant existing investment, infrastructure, and legal restrictions.

The development of the Myskovsky urban district, according to a moderately optimistic scenario, presupposes the following activity of the leadership of the urban district in priority areas of economic development and social policy. Also, this strategy involves the formation of a constructive coalition of representatives of government, business, education, and science in matters of strategic planning and management, improving financial literacy and the formation of entrepreneurial competencies of the population of the district.

One can single out a number of the most significant areas of development of the city of Myski according to a moderately optimistic scenario in the long term.

1. Social development of the urban district through the implementation of programs aimed at improving the demographic situation, reducing the outflow of youth, ensuring the safety of life, accessibility and improving the quality of education and health services, developing cultural potential and an overall improvement in the quality of life of the population.

2. The spatial development of the urban district through the formation of an aesthetic and socially-organized urban environment, the development of transport infrastructure.

3. Economic development of the urban district, including the development of the industrial complex, diversification of the economy, the development of small and medium-sized enterprises through the implementation of financial and non-financial measures of support, counseling, training of potential entrepreneurs with the involvement of university professors from the Kemerovo region and representatives of business and business communities, the formation of a territory brand as an investment-attractive urban district.

In general, within the framework of a moderately optimistic scenario, it is expected, firstly, the most balanced socio-economic development of the city. Secondly, the achievement of the targets laid down in the strategic and program documents of the regional and federal levels.

Achieving a general goal determines the implementation of three strategic goals:

- social development;
- spatial development;
- economic development.

The selection of strategic priorities for sustainable social development of the Myskovsky urban district was carried out based on the following areas: the growth of the educational, scientific, cultural and spiritual potential of the urban district population; labor market development and employment support in the city; healthcare development; growth of social security of the population. All areas of social development should contribute to the growth of the well-being and quality of life of the population, which is the result of the listed areas of both the social block and the economic, spatial.

The noted strategic priorities for the social development of the municipality should be logically integrated into the relevant Federal and regional target programs and programs for the implementation of Priority National Projects.

The strategic direction “Social Development” is a priority, as it contributes to the formation of human capital – a resource that can and should be used for social and economic development. Human capital is one of the most critical factors in the economic growth of the territory. Under the human capital

is understood the totality of knowledge and abilities that contributes to the growth of production and labor productivity, increase the personal well-being of the population (Ryabtseva et al., 2015).

The second most important area of socio-economic development of the Myskovsky urban district should be “Spatial development.” One of the main goals of the spatial development of the urban district is to create conditions for a healthy, comfortable, convenient life for residents and visitors of the city. The set implementation of measures in this direction contributes to a positive trend of the ecological status improving and appearance of the city.

The third priority area of the Myskovsky urban district strategy is its economic development. The achievement of these goals is the development of municipal programs for the development of various sectors of the economy of the Myskovsky urban district.

Based on the data from the SWOT analysis of Myski, the tree of goals, and possible scenarios for the development of this administrative unit, an optimal strategy was developed.

7. Conclusion

The trends of critical sectors of economic development, both the region and the municipality, were studied. The trends in the fields of industry, construction, agriculture, and other industries were studied. The study is based on an analysis of the development of small and medium-sized enterprises, as well as the state of business infrastructure, natural resources and the environmental situation, human capital, and living standards in the studied municipality. Besides, an analysis of the economic climate was carried out, and a final, comprehensive SWOT analysis was compiled. As a result, scenarios for the development of the municipality were developed. The article substantiates the choice of a basic scenario for the development of the city. Based on the development of the goal tree, the priorities and objectives of the socio-economic policy are identified in the context of the main directions and target indicators of the socio-economic development of the Myskovsky urban district. Besides, as a result, programs, and implementing strategy stages for the socio-economic development of Myski were developed.

This strategy will ensure the socio-economic sustainability of the municipality by improving the demographic situation, improving the quality of life, developing the industrial complex, and diversifying the economy. The results can be used by the authorities of the constituent entities of the Russian Federation and local authorities in the development of strategic planning documents.

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