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Harmonization of national indicators for sustainable development of the administrative-territorial units with the requirements of the international community

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Special Session

S_ZB Economics of Quality as a Basis for Sustainable Development of Communities

Abstract

“Harmonization of national indicators for sustainable development of the administrative-territorial units with the requirements of the international community”

JEL: R1

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Summary: This paper provides information on the results of analysis of possible application on the territory of the Russian Federation of performance indicators and performance efficiency of the executive and local self-governing authorities recommended by the international standard prepared by ISO/TC 268. The development of the international standard is initiated by the World Bank and is aimed at building of a complex of estimates for sustainable development of administrative-territorial units which characterize the quality of life of the local community.

Russia's participation in global economic processes and joining the World Trade Organization (WTO) are aiming at harmonization of indicators of the quality of life of the population of the administrative-territorial units with the requirements of the international community.

President of the Russian Federation approved by the decree of April 1, 1996 № 440 the "Concept of the Russian Federation transition to sustainable development". The concept focuses on the country's sustainable development which should in the long term ensure balanced resolution of socio-economic goals, problems of maintaining of favorable environment and natural resource potential in order to improve the quality of life and meet the needs of present and future generations.

The problem of assessing of sustainable development of territories in order to improve the quality of life is relevant to all countries and is considered by leading economists of the world as a strategic area of international activities. Among a large variety of definitions of sustainable development of an area [6], the following definition which is the most appropriate, according to the authors, may be offered: "Sustainable development is a synergistically controlled economic and socio-natural complementary development which is directed at ensuring the quality of life of the population and does not cast threat to the right of future generations to meet the growing needs of the modern society in uncertainly long periods of time."

The expediency of a theoretical justification of the means of establishing and evaluating of the indicators of the quality of life is recognized by all researchers of the process of sustainable development of territories. Currently there is no universally accepted integral index which could be used to calculate the development of any economic system, both in Russia and abroad, on the grounds of sustainable development.

At the initiative of the World Bank the task of scientific substantiation of the indicators for sustainable development of territories was entrusted to specialists in the regional development of Canada. During the development of the indicators legal documents valid at an international level were considered. Among these documents are such standards as "The United Nations. Indicators of Sustainable Development: Principles and Methodology", "United Nations Statistics Division. Environment. Glossary" and other [1-4]. The logical continuation of the scientific development was the creation of a draft international standard "Sustainable development of the society – indicators of municipal services and quality of life of the population". At the moment the standard prepared as part of the ISO/TC 268 is being discussed among all countries of the world which are interested in objective assessment of the effectiveness and efficiency of the development and insurance of life quality of their own territories. It presents indicators structured around seventeen areas such as economics, education, energy, environment, finance, fire and emergency services, government, health, recreation, safety, housing, solid waste, telecommunications and innovation, transportation, urban planning, waste water, water and sanitization. Each of the areas contains a set of core and additional

indicators to assess the work of special territorial services and the effectiveness of the government and self-governing authorities. The proposed block of indicators can provide in a fairly simple form information for a wide range of parties interested about the quality of accommodation of a territory.

This information can serve as an objective measure of the level of competitiveness of an administrative-territorial unit and as a reason for choosing it as an object of investment, including Russia. It's necessary for the country today to determine the level of competitiveness of a region, territory, city, the availability of competitive advantages, to select industry clusters where they exist, and to create conditions for priority development. Safe competitive positions are essential requirements for sustainable development of regional economy. Regions simultaneously compete with each other to attract investment, including governmental ones, highly qualified personnel, business, the right to establish on their territory special economic zones. Competition between regions stimulates their development and contributes to solving the national task to increase the GRP growth and living standards. Non-acceptance in Russia of the norms of international standard means loss of interest to us on the international market as to a country prepared for financial investment. Most researchers of regional competitiveness [5] emphasize social factors of competitiveness.

Herein competitiveness is considered as ability to:

- provide a high level and quality of life;
- maintain sustained high growth rates of real per capita income;
- create and maintain a relatively high level of wages and salaries;
- have absolute and comparative advantage in order to ensure a high level and quality of life;
- generate ever-increasing real incomes and living standards.

Among the available definitions of competitiveness the following interpretation seems a promising one: "Competitiveness of a region is a position of this region and its individual producers on the domestic and foreign markets driven by economic, social, political and other factors, which is reflected through indexes (indicators) which adequately characterize this condition and its dynamics."

In a market economy Russian regions interact differently with each other and the state. On the one hand they act as competitors, on the other hand as partners. From the standpoint of state influence they can be: subsidized (supported by the state), financially independent, regions-donors.

Regions develop interregional relations between themselves and their relations are largely influenced by clustering processes, innovative development, etc. in the country's economy. In the Russian Federation operates a large number of consulting and marketing companies that are engaged in making of ratings of territories and regions. To assess the ability of a region to meet the needs of the people it is advisable to use indicators [5], describing:

- consumption of the population; living conditions (supply of consumer goods);
- environmental welfare of the region, socio-economic security;
- cash flows and the social stratification of the population;
- financial well-being of the population;
- indirect indicators (population growth, life expectancy).

This feature is extremely important for national and international investors for making decisions to support enterprises located within a particular administrative-territorial unit. Evaluation is carried out not with standardized indexes (indicators), but by special companies with one or sometimes with several proposed techniques. In this regard, it is not possible to objectively assess the quality development of an area and draw informed conclusions.

To assess the activities of executive authorities and local self-governing authorities President of the Russian Federation issued decrees of August 21, 2012 № 1199 “On the evaluation of the effectiveness of the executive authorities of the Russian Federation” and of October 14, 2012 № 1384 “On the evaluation of the effectiveness of local self-governing authorities of urban and municipal districts.” In accordance with these decrees, for example: the effectiveness of the executive bodies of subjects of the Russian Federation is estimated through eleven key indicators such as life expectancy at birth, total investments in fixed assets (excluding the budget), real disposable income, etc. The effectiveness of local governments (except intercity municipalities in the cities of Moscow and St. Petersburg) is defined through thirteen basic indicators.

Administrative-territorial units as subjects of management directly implemented goals and objectives for the community.

Statistics prepared on their basis reflects absolute and relative indicators of socio-economic development and their dynamics in the national economy, but does not give direct answer regarding the region's competitiveness.

A number of scientists include copyright approaches to the formation of evaluation indicators in their works. For example, for Krasnodar region Vlasenko E.V. [6] proposes a typology of territorial units based on values of sustainable development indicators. All indicators are divided into economic, social and environmental. The economic indicators include: GDP per capita, investment in fixed assets to the amount of GRP; industrial production index, the index of production of electricity, gas and water, the proportion of organizations involved in innovative activities, the proportion of long-term investments to the amount of financial investments. The social indicators include: population growth, net migration rate, unemployment rate, life expectancy, infant mortality rate per 1,000 live births; share in GRP spent on health, education and social security. Environmental indicators include: emissions of air pollutants per 1 thousand rubles of industrial output, volume of trapped pollutants per 1 thousand rubles of industrial output, proportion of reclaimed land in the general area of disturbed land, volume of recycled and consequently used water per 1 thousand rubles of GRP, current expenditure on environmental protection on one thousand rubles of GRP, investments aimed at environmental protection measures per 1 thousand rubles of GRP.

In the proposed international standard indicators are presented in a more detailed plan and accumulate information which is characteristic of administrative-territorial units around the world. Along with the indicators adopted in Russia at the state level, it contains environmental indicators missing from domestic accounting data such as: concentration of fine particulate pollutants (PP 2.5), concentration of particulate pollutants (PP10), noise pollution, greenhouse gas emissions in tons per capita, etc. The standard includes a set of indicators characterizing telecommunications and innovation, such as the number of connections to the Internet per 10,000 people, the number of connections from mobile phones per 100,000 people, etc.

Regional policy conducted in the Russian Federation is aimed at developing administrative-territorial units and providing the quality of life of their population regardless of place of residence of a person, their social status and religion [5, 7].

Russia is a member of the WTO and harmonizes its activities with the international community. In this regard the need to create a mirror of the national technical committee for standardization of sustainable development of the administrative-territorial units is obvious. Such committee – TC 115 “Sustainable development of administrative-territorial units” was created by order of Federal Agency for Technical Regulation and Metrology of July 19, 2012 under № 504. The initiator of its formation was “Test – St. Petersburg” which has extensive experience in implementation and certification of quality management systems in governmental and local authorities. The idea of creating of a new technical committee for standardization was supported by Institute for Regional Economic Studies Institute (IRES). The Institute has a rich (thirty years)

working experience in the field of research of actual issues of socio-economic development of Russian regions including big cities: Moscow, St. Petersburg. The aim of the subcommittee is to develop a system of indicators characterizing the effectiveness of administrative-territorial units, their sustainable development, and quality of life of the population. The objects of standardization PC-2 / TC 115 include:

- приоритетность разработки стандартов для обеспечения соблюдения требований регламентов на безопасность в части государственных и муниципальных услуг;

Conceptual apparatus of sustainable development of the territory.

Indicators of safe development of the territory.

Basic indicators of development.

Indicators of the quality of public services.

Indicators of the quality of municipal services.

Methods of assessment of performance and efficiency.

The strategy of the subcommittee is based on the following principles:

- systematic study of the domestic market of public and municipal services in terms of its need of the international standards ;

- priority of development of standards to ensure carrying out of security regulations in terms of state and municipal services;

- ensuring of compliance of national standards and interests of the national economy with international rules and regulations;

- ensuring of maximum participation and mutual cooperation of parties interested at all stages of the development of standardization documents;

- development of transparent and open procedures of standard development for the parties interested;

- effective use of available to the subcommittee resources, including modern information and communication technologies.

Thus work on standardization to ensure the development of administrative-territorial units at international and national levels and the quality of life of the local population becomes timely and important. Investment processes necessitate the development of mechanisms of rating, rating system, guidelines for the assessment and eligibility criteria. Many administrative- territorial units and consulting companies develop their own rating systems which only lead to confusion and prevent the introduction of integrated and consistent approaches. In this respect the work carried out on the harmonization of domestic indicators with the international standards will certainly have positive effect on the establishment of conditions for sustainable development of the territories and the quality of life of the population of Russian regions.

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