



CODEN [USA]: IAJPBB

ISSN: 2349-7750

**INDO AMERICAN JOURNAL OF
PHARMACEUTICAL SCIENCES**<http://doi.org/10.5281/zenodo.2615251>Available online at: <http://www.iajps.com>

Research Article

**USING INDICATIVE PLANNING AND FORECASTING AS A
METHODOLOGICAL APPROACH IN ASSESSING THE
EFFECTIVENESS OF REGIONAL DEVELOPMENT
MANAGEMENT.**¹Svetlana Kalyugina, ²Oksana Mukhoryanova, ³Irina Savchenko, ⁴Ruzanna Miroshnichenko, ⁵Anna Lukyanova.¹North-Caucasian Federal University, Pushkin str., 1, Stavropol 355009, Russia.**Article Received:** January 2019**Accepted:** February 2019**Published:** March 2019**Abstract:**

The article presents the methodological approaches governing the assessment of the effectiveness of managing the activities of the executive authorities of the constituent entities of the Russian Federation, presents an indicative assessment methodology of planned developments to improve the socio-economic development of the region, in terms of replacing the social survey with specific predictable indicators, etc.

Keywords: *methodology, development, region, management, indicators, efficiency.*

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Please cite this article in press Svetlana Kalyugina et al., Using Indicative Planning And Forecasting As A Methodological Approach In Assessing The Effectiveness Of Regional Development Management., Indo Am. J. P. Sci, 2019; 06(03).

INTRODUCTION:

In modern conditions, it is the region that is the main catalyst of political, social and economic relations occurring against the background of global transformations of the world economy.

At the same time, a special role is given to regional aspects of the implementation of federal directives related primarily to the social and economic spheres, which is largely ensured by the availability of the necessary resources in a given territory.

Thus, the interpretation of regional socio-economic development includes the economic, social, political and institutional aspects of the interaction of the state as a whole and each individual region in terms of the effective implementation of the strategic goals of state development and respect for the regional interests of a particular territory, as well as interregional development all interested parties.

Given the importance of determining effectiveness in justifying the definition of “regional socio-economic development”, it is necessary to establish its criteria, indicators, objects and factors that form it.

The main goal of the practical implementation of indicative planning and forecasting is to increase the effectiveness of management of the socio-economic development of the region.

Currently, the entire system of regional socio-economic policy is considered from the standpoint of indicators to assess the effectiveness of the activities of the executive authorities of the constituent entities of the Russian Federation, indicated in the Presidential Decree of June 28, 2007. No. 825 “On the Evaluation of the Efficiency of the Executive Authorities of the Subjects of the Russian Federation” and Resolution of the Government of the Russian Federation of 03.11.2012 N 1142 (as amended on November 26, 2015) “On Measures for Implementing the Presidential Decree of August 21, 2012 No. 1199” “On evaluating the effectiveness of the executive authorities of the constituent entities of the Russian Federation “(together with the” Rules for granting grants to constituent entities of the Russian Federation in the form of interbudgetary transfers in order to facilitate and (or) encourage the achievement of the best values indicators based on the results of evaluating the effectiveness of the activities of the executive authorities of the constituent entities of the Russian Federation ”, “Methods of evaluating the effectiveness of the activities of the executive authorities of the constituent entities of the Russian Federation ”[1, 2, 3]. In the most generalized form, the essence of the

methodology given in these regulatory documents is reduced to the calculation of integral indicators characterizing: the life expectancy of the region’s population, the volume of investments, the turnover of products (services) produced by small enterprises, the tax and non-tax revenues of the consolidated budget of a constituent entity of the Russian Federation, average unemployment rate for 1 year; the amount of real disposable income of the population; the proportion of the entered total area of residential buildings in relation to the total area of the housing stock; the share of students in state (municipal) educational institutions; population mortality; the proportion of children left without parental care, the population’s assessment of the activities of the executive authorities of a constituent entity of the Russian Federation.

A large number of included indicators of the socio-economic development of the region should a priori ensure inclusiveness and versatility, and hence the objectivity of the results obtained.

This technique is conventionally divided into three main blocks: the development of the economic sphere, the development of the social sphere, and social surveys of the population of the regions. For each direction, an integrated indicator is calculated from the average values of indicators, its components, and the growth dynamics of the included indicators is also taken into account.

Of particular interest is the block of a sociological survey, the results of which are formed annually throughout the territory of the Russian Federation. The main disadvantage of this unit is its low representativeness (falsification of data under the influence of pressure from regional authorities, as well as due to the enormous complexity of this process). Considering the fact that huge funds are spent annually on organizing sociological polls, and their effectiveness is very low, in our opinion, it is necessary to improve the current methodology for assessing the effectiveness of the executive authorities of the constituent entities of the Russian Federation in terms of replacing the social survey with other indicators.

Considering that after several years of testing this methodology in the territory of all the subjects of the Russian Federation, there are many practical observations on its improvement, we propose a methodology for an indicative assessment of planned developments to improve the socio-economic development of the region.

A distinctive feature of the proposed methodology is

its consistent phasing, including the optimization of the theoretical and methodological basis, the use of in-depth system analysis of the spatial-dynamic development of individual territories in comparison with the main indicators of socio-economic development, as well as testing of the developed prognostic tools aimed at improving socio-economic development the object under study.

The first stage is characterized by the systematization of the categorical apparatus to determine the essence of regional systems, their classification, the distinguishing of their distinctive characteristics and factors of development.

Within this stage, it is also assumed that the system of principles and instruments for the formation of regional socio-economic policy will be considered and supplemented. The theoretical and methodological stage is also characterized by the development and specification of the main parameters of the algorithm for evaluating the effectiveness and improving the development of regional socio-economic policy.

The logical continuation of the theoretical and methodological stage is the information-analytical one, within which several approaches will be implemented:

- first, to conduct a comparative analysis and determine the level of socio-economic development of a particular region (in our case, the Stavropol Territory), it will be necessary to carry out a spatial-dynamic comparative analysis in the context of level matching (macro, meso level and micro level);
- secondly, it is necessary to conduct a factor analysis of the component assessment of the effectiveness of the socio-economic development of a separate subject of the Russian Federation;
- thirdly, it is necessary to give an objective assessment of the effectiveness of the actions of regional authorities in the implementation of socio-economic policies based on territorial development indicators.

The results of the informational and analytical stage should be an empirical basis for the following - a formalized prognostic stage, within the framework of which the system for assessing the effectiveness of regional socio-economic policy should be optimized based on the construction and formalization of the economic and mathematical evaluation of this process. According to the results of practical testing of this stage, forecast scenarios of optimized indicators of the effectiveness of regional socio-economic development can be constructed, the

calculation of which is focused on the practical implementation of the next stage - the optimization stage, within which the trajectories of improving the socio-economic development of the studied territories will be determined. The positive moment of this stage is the economic substantiation of the proposed developments for the purpose of their further practical approbation on the example of a separate subject of the Russian Federation.

Despite the large amount of research on this issue, in our opinion, it is the proposed methodological approaches that will optimize the activities of regional structures in the field of socio-economic development, since the presented methodology is based on a comprehensive analytical toolkit that allows for a level comparative assessment, identify not only growth factors But also in due time to reveal the urgent regional problems arising in modern conditions. It is also important that such research entails the allocation of huge budgetary resources, while this author's methodology will help optimize the resources spent and increase the efficiency of their use.

Having considered the main stages of the methodology for assessing the effectiveness of prospective (strategic) management of a region, it is necessary to determine an algorithm for its practical implementation.

The development of methodological approaches is based on the definition of a specific problem, the existence of which a priori explains the purpose of the research itself. In our case, the lack of effectiveness of the regional authorities in the field of socio-economic development has been identified as such a system basis. Such a conclusion at the beginning of the study is based on the fact that the overall development of both a separate region (Stavropol Territory) and the Russian Federation in the context of global politicized pressure occurs against the background of a slowdown in economic growth and deterioration in the quality of life of the population.

In this regard, the main goal-setting research by the authors indicated the development of theoretical and methodological bases for assessing the effectiveness of prospective regional management, as well as the development of practical recommendations for improving the organizational and methodological tools for planning and forecasting regional development in modern conditions. The object of the research is the regional socio-economic systems of the North Caucasus Federal District.

The subject of the research is a set of theoretical, methodological and practical aspects of evaluating the effectiveness of indicative planning and forecasting the socio-economic development of regions.

As part of the study, it is proposed to use several basic approaches, such as the system, functional, and optimization approach, due to the characteristics of the object under study.

Regional socio-economic development is a systemic formation, as it contains interrelated and interdependent elements (social sphere, politics, economic sphere, production, etc.), and the development of one leads to the transformation of the entire system.

The use of a functional approach in studying regional socio-economic development is caused by the fact that regional authorities perform only part of the functions in the context of macroeconomic interaction with the federal center, with the result that their functions are clearly regulated by normative documents, and hence their study and possible optimization can be performed only within their actual authority.

We propose the introduction and use in this study of the third approach - the optimization one, the essence of which is to ensure rationality and optimality in the process of implementing regional programs of socio-economic development. This approach becomes the most relevant due to the fact that all regional programs are budgetary, and therefore, the expenditure of budgetary resources should be carried out as efficiently as possible. It should be immediately noted that, of course, the principle of optimization is not an innovation in the development of development programs that are already functioning and being developed for the future; it is a matter of optimizing these regulatory documents in accordance with regional economic conditions. Optimization in our study will be justified in the process of developing adapted scenarios for the development of socio-economic development at the regional level.

After establishing approaches to assessing the effectiveness of socio-economic development, it is necessary to determine the methods by which these approaches will be implemented. We propose to implement a systematic approach using quantitative methods, the main of which are: economic and statistical, forecasting and mathematical modeling. As tools, optimization methods and models will be used [4, 6].

Within the framework of the functional approach to

the assessment of regional executive bodies, the main qualitative methods — monitoring and control — have been used, and system analysis is the main practical tool.

The purpose of the application of system analysis for the study of regional socio-economic systems is the absolute and complete verification of various options for action in terms of quantitative and qualitative comparison of the resources spent with the result obtained in the end [5].

After analyzing the theoretical aspects of a systems approach in the study of regional socio-economic development, we can conclude that system analysis is the most consistent implementation of a systems approach to solving organizational, socio-economic, technical problems of its development.

The generalization of the above provisions and private conclusions allows us to identify the main research problems solved using system analysis in the context of studying the object of interest to us:

- structuring of the regional socio-economic system;
- identification of the interrelations of the regional socio-economic system;
- definition of a strategic goal-setting system in the development of a regional socio-economic system;
- implementation of scenario modeling of the development of the regional socio-economic system, taking into account the identified backbone factors;
- development of forecasts for the formation of a regional socio-economic system at various levels of its development;
- adjustment of management decisions based on forecasts obtained, etc.

As part of the implementation of the optimization approach, it is proposed to use such methods as indicative planning and designing the trajectories of the socio-economic development of the region, and regional development programs will be used as tools of this approach.

Based on the use of all the above approaches, methods and tools, we propose a project-perspective block for developing forecasts and strategies for the development of regional socio-economic development, which includes several stages:

- assessment of the currently existing main indicators of the socio-economic development of the region;
- conducting component diagnostics of the effectiveness of regional socio-economic development in selected areas;
- justification of the strategic trajectories of increasing the effectiveness of regional socio-

economic development;

- optimization of selected indicators for assessing the effectiveness of regional socio-economic development;
- development of forecast scenarios for regional socio-economic development in the medium term;
- checking the adequacy of the predictions made by the strategy of the region's socio-economic development.

Considering the proposed theoretical and methodological approaches to the assessment of the effectiveness and improvement of regional socio-economic development, one should separately focus on the division of such definitions as performance and efficiency.

Often, when developing programs for socio-economic development, developers identify the two mentioned categories, at the same time, both by their essential characteristics and their functional use, they differ significantly.

The authors are similar in their opinion with researchers Stroiteleva T.G., Yatchenko L.V., in that "with regard to the activities of the executive authorities," effectiveness "is understood as the degree of achievement of the goals (expected results) of any body, or stage (or a separate event) reform, etc. A quantitative and extremely concrete expression of this result becomes the main condition for evaluating the performance"[7].

When justifying economic indicators, indicators of economic efficiency are most often used (profit, profitability, etc.). It is possible to make this possible, since for their calculation the generally accepted existing quantitative values are used, therefore the application in this aspect of the concept of "efficiency" (productivity of the use of resources in achieving any goal) is quite reasonable. The concept of "social efficiency" is more complex, since in its calculations there is no clear regulation of the use of a certain information base, the guidelines do not always reflect the real state of affairs in the segment under study.

Meanwhile, general theoretical approaches to such an assessment are known [5]. It is necessary in one way or another to measure the result expected from the implementation of the social program, and compare it with the amount of funds spent on its implementation. The main difficulty here lies precisely in the measurement of the final result [4].

Most generally, social efficiency can be defined as

the ratio of the volume of additional social benefits received in relation to the budget funds invested. If we are talking about a new social effect, then its effectiveness can be assessed only in a predictive and promising way and on the basis of comparison with the estimated volume of the estimated invested resources.

The modernization of the system of regional socio-economic policy is directly related to the definition of optimal indicators that allow an assessment of the socio-economic status and development dynamics of the studied territories.

The functioning of the region as an open, dynamic social system, as well as taking into account the changes occurring in all blocks-components of these systems (institutional, economic, natural-ecological, social, etc.), the problem of developing a balanced scorecard (including the performance criteria of the executive authorities) and methods for analyzing and evaluating the effectiveness of regional socio-economic development [6].

CONCLUSION:

Thus, when developing theoretical and methodological approaches to assessing the effectiveness of regional socio-economic development, it is necessary to take into account, along with effective indicators, also effective indicators.

Having studied the theoretical basis for the formation and development of regional socio-economic development, structuring and substantiating a set of principles, factors, conditions and tools for its formation based on the use of the mechanism of interconnection of economic policy levels, we developed methodological approaches to assessing the effectiveness and prospects of socio-economic development of the region.

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