

## Artículo de investigación

## The Development of Socio-Economic Relations at the Municipal Level in Modern Russia: Problems and Solution Approaches

Развитие Социально-Экономических Отношений На Муниципальном Уровне В Современной России: Проблемы И Пути Решения

Desarrollo de las relaciones socioeconómicas a nivel municipal en la Rusia moderna: problemas y formas de resolver

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### Аннотация

Социально-экономическое благополучие страны во многом определяет социально-экономическое благополучие муниципальных образований России. В данной статье рассматриваются новые направления в деятельности местных органов власти, которые могут обеспечить существенный рост социально-экономического состояния муниципальных образований. К ним относятся: развитие эффективной инвестиционной политики, расширение возможностей государственно-частного партнерства, использование стратегии заимствования управленческих практик из коммерческих структур, активное развитие межмуниципального сотрудничества, повышение результативности управления от введения в муниципальную практику модели «сити-менеджер» и поиска на этой основе оптимального разделения функций управленческих структур на местном уровне. Кроме того, в статье предложено активизировать использование социоинженерной методологии принятия управленческих решений, что обеспечивает научное обоснование осуществляемой управленческой деятельности. Большое внимание в статье уделено вопросам совершенствования кадровой политики на основе внедрения такой формы как ротация в управленческие структуры креативных менеджеров из бизнеса. Эта практика может дать существенный толчок для развития инновационных технологий управления в органах местной власти, но она одновременно

### Abstract

Socio-economic well-being of the country largely determines the socio-economic well-being of municipal entities in Russia. The present article deals with new directions in the activity of local power structures, which can ensure the essential growth of a social and economic condition of municipal entities. These directions include developing an effective investment policy, expanding opportunities for public-private partnership, using the strategy of borrowing management practices from commercial structures, active developing intermunicipal cooperation, improving the effectiveness of management based on the implementation in municipal practice of the "City Manager" model, and searching on this basis for the optimal splitting of functions of management structures at the local level. In addition, the article proposes to intensify the use of the socio-engineering methodology of managerial decision-making that provides scientific grounds for management activities. Much attention is paid to the improvement of personnel policy through the implementation of forms such as rotation of creative managers from the business in the management structure. This practice can give a significant impetus to the development of innovative management technologies in local power structures, though at the same time it carries a certain risk of destructive consequences, such as the use of administrative resources for the benefit of individual private organizations and their executives that may lead to the emergence of a conflict of interest, corruption, and

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несет в себе некоторую опасность деструктивных последствий, выражающихся в использовании административного ресурса в интересах отдельных частных организаций и их руководителей, в появлении конфликта интересов, коррупции, протекционизма. Безусловно, не оставлено без внимания такое направление как повышение активности населения в решении вопросов местного значения, что является одним из действенных рычагов в практике самоуправления. В статье каждое из предложенных направлений совершенствования социально-экономических отношений на муниципальном уровне рассматривается через призму технологий осуществления этой деятельности, возможных проблем и конфликтов, способов их разрешения.

**Ключевые слова:** муниципальное образование, социально-экономические отношения, социоинженерная методология принятия управленческих решений, государственно-частное партнерство, кадровая политика, территориальное общественное самоуправление.

## Resumen

El bienestar socioeconómico del país determina en gran medida el bienestar socioeconómico de los municipios de Rusia. Este artículo analiza nuevas direcciones en las actividades de las autoridades locales que pueden proporcionar un aumento significativo en la condición socioeconómica de los municipios. Estos incluyen: el desarrollo de una política de inversión efectiva, la expansión de las oportunidades de asociación público-privada, el uso de una estrategia de prácticas de gestión de préstamos de las estructuras comerciales, el desarrollo activo de la cooperación intermunicipal, el aumento de la eficacia de la gestión desde la introducción del modelo de administrador de la ciudad en la práctica municipal y la búsqueda del modelo óptimo. Separación de funciones de las estructuras de gestión a nivel local. Además, el artículo propuso intensificar el uso de la metodología de ingeniería socioeconómica para tomar decisiones de gestión, que proporciona una base científica para las actividades de gestión en curso. En el artículo se presta mucha atención a los problemas de mejora de la política de personal basados en la introducción de tal forma como la rotación en las estructuras gerenciales de los gerentes creativos de las empresas. Esta práctica puede dar un ímpetu significativo al desarrollo de tecnologías de gestión innovadoras en las autoridades locales, pero también conlleva cierto peligro de consecuencias destructivas, expresadas en el uso de recursos administrativos en interés de organizaciones privadas individuales y sus líderes, en la apariencia de conflicto de intereses, corrupción, proteccionismo. Ciertamente, no se ha ignorado una dirección como el aumento de la actividad de la población para resolver problemas locales, que es una de las palancas más efectivas en la práctica del autogobierno. En el artículo, cada una de las áreas propuestas para mejorar las relaciones socioeconómicas a nivel municipal se ve a través de la lente de las tecnologías para llevar a cabo esta actividad, los posibles problemas y conflictos, y las formas de resolverlos.

**Palabras clave:** municipio, relaciones socioeconómicas, metodología de ingeniería socioeconómica para la toma de decisiones de gestión, asociación público-privada, política de personal, gobierno autónomo público territorial.

## Introduction

The transformation of social and economic relations in Russia in the 90s of the last century has caused devastating damage in all areas of life-sustaining activities. The beginning of the new century for Russia turned out to be a period of searching for new forms of economic management, which were demanded by market relations, the era of new technology (Ivanov, 1996), the development of the information environment, and significant geopolitical changes. In this situation, the state development concept was created based on the thesis that the socio-economic well-being of the country was largely determined by the socio-economic well-being of each individual municipal entity of Russia. To implement this concept, a municipal reform was developed and launched in 2003. The essence of the reform was to unbundle the territories of administrative influence bringing the power closer to the population. As a result, the number of municipal entities in the country increased four times numbering to about 23 thousand that provided more effective territorial administration. While before the reform a unit of the territorial structure measurement was an administrative region or a large city, in the new conditions a settlement became such a unit. Based on the fact that not all issues can be resolved at the settlement level, the municipal district was introduced also as a territorial unit. It is designed to address inter-urban intermunicipal issues. This resulted in the appearance of a list of local issues important for municipal districts. This model of the territorial organization has allowed more thorough approach to the issue of delineating the competence of municipal entities. With such a governance system, the role of the local self-government became expressed more clearly. The specific issues, which the local self-government bodies are responsible for, were determined more specifically. This was accompanied by a division of powers with the state authorities and the establishment of relations with other local self-government bodies. Today's reduction in the number of municipal entities to almost 20 thousand is associated with the optimization of the territorial organization of local self-government, and with the consolidation of self-governing units. This is quite logical since in some cases this is dictated by economic expediency, namely, the creation of a single economic potential in the territory. However, such consolidation is not always carried out without conflict. In some cases, this involves conflicts of interest between the population and the administration. The population is interested to make government

more accessible that is exactly provided by municipal reform. And this concerns not only transport accessibility but the maximum involvement of local authorities in the problems of the population. At the same time, the administration is more likely interested to become larger, because this allows getting more resources to address a number of issues that are considered by the administration to be priority ones. In consequence of this approach, less important problems of the population remain unnoticed by the administration. Certainly, each consolidation of municipal entities should be fully substantiated, and not lead to the elimination of the settlement level of local self-government. Besides, the territorial size of the new settlement should provide citizens with normal access to local self-government and service establishments. The intermunicipal cooperation model allows solving many resource problems without resorting to the consolidation of municipal entities. At the heart of the municipal reform, certainly was the idea of raising the activity of the population of municipal entities. After all, raising the level and quality of life is possible only with the involvement of the population in the implementation of territorial socio-economic programs.

Many articles are devoted to the issues related to the improvement of socio-economic relations at the municipal level. Studies have been carried out in various subject areas – economic, legal, sociological, etc. In this particular case, an attempt is made to system-based approach to the development of a new paradigm for the socio-economic relations formation at the municipal level based on modern management technologies.

## Methods

Management can be effective if it is based on a logically developed methodology. The standpoint that management is not a science since it has no own methodology, is deeply mistaken. The methodology of management activity is clearly traced in the essence of social engineering, which is a special area of sociological knowledge (Urzha, 2017). It is known that sociology as a science is multifaceted. It gives a fundamental understanding of society and corresponding social processes; it is used in almost all areas of human activity through its sectoral structure, as well as allows understanding the causes of certain problems through the methods of

sociological analysis. But social engineering is a special branch of sociological knowledge, it is creative sociology. Carrying the transformative function of sociology, social engineering makes it possible to ensure methodologically and methodically the impact on the social object to modernize or completely renew it. This sphere of sociological activity possesses special means and methods that allow actively contributing to the solution of urgent problems of public life. Revealing the essence of these methods, one can say that social engineering is a chain of interrelated sequential procedures aimed at the transformation of social objects in order to improve them. This is, certainly, the diagnostics of the state of a social object, forecasting its future state, simulating a new modernized state, carrying out an experiment of a social model, and in the case of a successful result – creating a social project of object's new state, and developing social technologies for the project implementation.

It seems that everything is logical and simple, though this is not the case. We are often faced with the fact that the authors, using the fashionable wording "project management", often start immediately with the development of the project. Without a comprehensive preliminary study, which is suggested by social engineering, any such project is doomed to failure. This research is focused on the necessity of applying all consecutive procedures of social engineering while the social object is being modernized or any new social objects are being created. Neglecting any of the necessary steps will lead to a negative result. Unfortunately, such examples are not few. Suffice it to recall the priority national projects like Health, Education, Housing, and Development of agribusiness, initiated in 2005. Almost all four projects failed.

Besides that, social engineering methodology defines the possible scale of the changes to be implemented. Today in Russia there are almost 21 thousand municipal entities. They cannot and should not be reformed and developed in the framework of the same project. It is necessary to develop social projects for each individual municipal entity, each city or village, taking into account many factors, conditions, and traditions. This is exactly what is provided by a social engineering approach when implementing social project development.

Why this methodological approach has started to be considered in Russia relatively recently? The answer to this question requires insight into the

essence of social engineering and its development history.

## Result

### 1. Creation of a scientific school of social engineering

Many people believe that management is based on knowledge of the economy and jurisprudence. Social engineering is not included in the field of economic and legal sciences; this is a field of sociological knowledge. But sociologists often speak the language of general and sectoral theories that reduce the interest of practicing managers to sociology. While a transformative component of sociology, i.e. social engineering, as the most complex, requiring the creation of the effective management techniques, remains poorly developed.

The second reason is largely associated with the name of Karl Popper (1902-1994), one of the main authors of this scientific field, who was not popular in the USSR due to the fact that his views largely did not coincide with the dogmas adopted in the Soviet period. Thus, in his book "The Poverty of Historicism", Popper, similarly to A. Comte, opposed rational social technology to the historicism. The main opposition between the two concepts consists in the following: the representatives of historicism defend the viewpoint based on the fact that the development of society occurs according to some historically determined laws, and the individuals do not play any role in this development, while collectivism comes to the first place. And the second feature of historicism is the recognition of the fact that the development of society should pursue certain global far-reaching goals, which will be achieved in the far-distant future. Supporters of social engineering saw a man as the main subject of transformations in society since it is exactly a man who is the builder of his life. This idea was later reflected by the Russian scientist V.G. Afanasiev in his research paper "Man in the Management of Society" (Afanasiev, 1977).

In the monograph "Open Society and Its Enemies" Popper, when revealing the essence of social engineering, paid much attention to the objectives and methods of this transformative activity, splitting it into "utopian social engineering" and "gradual social engineering". His attitude was that the transformation of society in order to improve it should be carried out through the impact on the objective reality by nonviolent, gradual, and soft methods. His concept was opposed to the Marxist concept,

which was based on the methodology of radical and large-scale transformations. This is what Popper called "utopian social engineering." This was one reason, why his views were not popular in Soviet Russia. According to him, the supporters of "utopian social engineering" offer to destroy the existing social structure to implement changes in society, rather than be engaged in its repairing. Only after having defined the ultimate goal of transformation, they suggest looking for specific ways of achieving it. Popper's objection against this approach consisted in the idea that the implementation of large-scale social projects involves violence and, consequently, dictatorship. "Utopian attempt to achieve an ideal state using the project, in general, requires the concentration of power in a limited number of hands and most often leads to dictatorship" (Popper, 1992, 202).

Another reason why social engineering was not adopted in the Soviet period is due to the fact that Popper criticized the methods of implementation of transformative activities in the Soviet Union. He repeatedly questioned the failure of "utopian social engineering". "The restructuring of society is a grand event that will inevitably cause inconveniences to many people and for a long time. Therefore, a proponent of utopian engineering will be forced to ignore many complaints." (Popper, 1992, 202). "Utopian engineering claims to be the rational planning of the whole society, although we do not have the empirical knowledge necessary to realize this ambitious intention" (Popper, 1992, 204).

Now, years later, having experienced all the terrible consequences of Perestroika, it became clear that Popper was absolutely right. Therefore, it is phased social engineering that is considered here.

## **2. Formation and development of the national social engineering school of thought**

The national social engineering school of thought has accumulated experience of socio-engineering approaches in the field of its individual components. In the 1920s, it was associated with the names of A.K. Gastev, P.M. Kerzhentsev, and others. However, this was largely due to production.

Thus, Gastev (1882-1941), an outstanding theorist and practitioner of a scientific labor organization (SLO) and production management, believed that the scientific organization of labor in its methodological part included mandatory

procedures such as the diagnostics of a social object, and detailed analysis of its components (Gastev, 1972). Gastev has proceeded from the fact that before changing certain ways of working, they must be carefully studied, that is, one must carry out the comprehensive diagnostics, which is a component of social engineering (Sherbina, 1993).

Well-known statesman and economist P.M. Kerzhentsev (1881-1940) made a great contribution to the development of the national school of time management. In his works, Kerzhentsev emphasized the need for extensive use of the experiment (Kerzhentsev, 1968), which was considered the most important component of social engineering.

Since the 1960s, the methods of socio-engineering activities in Russia have developed in areas such as social planning theory and practice (Toshenko, 2011), social design, development of social technologies (Ivanov, Patrushev, 1999), and selection and evaluation of managerial personnel. The 1970s were noted by the development of target programs for regions, industries, and various spheres of public life. The 1980s were marked by holding simulation business games, the development of game engineering, and management consultancy (Drjahlov et al., 1989, 153). In 1992, the first in the country Social Engineering Chair was established within the structure of the Sociological Department of the Russian State Social Institute (now the Russian State Social University, RSSU), which was headed by the author of the present article for more than 20 years. The socio-engineering paradigm became the basis of the Social Management Department of RSSU established in 1996 to train managerial personnel for the state and municipal service.

Social management is socially-oriented management, which is aimed at meeting the interests and needs of different social groups (Urzha, 2015). This is possible only based on the application of socio-engineering methodology: diagnostics of social reality, its transformation by building a promising social project, and the use of modern social technologies for the project implementation (Urzha, 1998). While social management is a means of implementing social policy (Osipova, 1995), social engineering is a means of implementing social management.

## Discussion

### 3. Extending the opportunities for public-private and municipal-private partnerships to develop municipal entities

One of the most difficult issues in solving many problems of municipal infrastructure development is financing. As a rule, there is not enough budget money to solve local issues, while for the construction of new facilities – even more so. Attracting investors and increasing the investment attractiveness of the region is one of the most difficult tasks. Up to date, the solution to this problem has been based on concession agreements. However, this way was not effective and attractive. As known, a concession is a contract concluded by the state with a private entrepreneur, or a foreign company for the construction and operation of industrial enterprises, land and another farming acreage, the construction of a railway, etc., which lays the basis for a public-private partnership (PPP) project. The legislation treats public-private and municipal-private partnerships as cooperation between public and private partners, which is legally formalized for a certain period and based on the pooling of resources, as well as risks' sharing. The public-private and municipal-private partnership are carried out to attract private investment in the economy, to ensure the availability of goods, jobs, services, and improve their quality through public authorities and local self-government. The public partner may be the Russian Federation, its constituent entity, or the municipal entity. The Government of the Russian Federation or the authorized federal executive authority, the supreme public authority of the Russian Federation's entity, or the authorized executive authority of the region, the head of municipal entity, or other authorized local government body, acting according to the charter of municipal entity, can act on their behalf. A private partner is a Russian legal entity, with which a PPP agreement has been concluded (Maloletko, 2016).

Within the framework of concession agreements, the implementation of a large part of Russian PPP projects, including federal, regional, and local concessions, was based on public ownership of the infrastructural asset. That is PPP could have been implemented only in cases, where the infrastructural asset should have been transferred after creation to the public partner. This was exactly what made the use of concession agreements less attractive.

After the Federal Law No. 224-FZ (45) "On the public-private partnership, municipal-private partnership in the Russian Federation, and amendments to certain legislative acts of the Russian Federation" came into force on January 1, 2016, it became possible to transfer ownership to a private partner. This significantly extends the possibilities of PPP. The law introduces a special concept of PPP, different from that accepted in other countries. The conventional understanding of the term public-private partnership, adopted in many countries, refers to those special projects of public-private interaction, in which the return on investment occurs at the expense of the public partner, in contrast to the concessions, under which the return of investment is carried out by the private partner through collecting fees from consumers. In the interpretation of the new Federal Law, public-private and municipal-private partnerships are understood as PPP projects implemented exclusively on the model of private ownership on the infrastructural asset, while everything else is called concessions, which fall under both traditional concessions and traditional PPP projects based on public ownership.

Among other advantages of the new law with respect to PPP, in addition to the possibility to acquire the infrastructural asset of a private partner, one should note the possibility of pledging the PPP asset for the purpose of project financing, the absence of the requirement for the mandatory model agreements, which were needed in the previous concession agreements law. All this together should increase the investment attractiveness of PPP projects in Russia. With competent and rational behavior, PPP is a mechanism that can become the basis to create high-tech corporate structures designed to ensure the orientation of business and the state towards solving problems related to the development of municipal entities.

### 4. Improvement of personnel policy in the socio-economic relations system of the municipal entity

New laws and new technologies are not enough to develop effective socio-economic relations. In this process, the main role belongs to the staff. Training of managerial personnel capable of solving contemporary problems, and using effective management technologies are the most important topic in the development of personnel policy in the country. However, today in this area, there are more problems than resolved issues.

The first problem is related to the current recruitment system. As a rule, people who for some reason left the previous place of work come to the competition commission on filling vacancies. Consideration of such candidates is conducted mainly on formal grounds. The collapse of the Soviet Union began with the destruction of the personnel corps' formation system, affecting people, who have positively proven themselves. Such persons were included in the database of key administrative posts. For a person without experience in the management system, it was impossible to get to the managerial position. Today, unfortunately, this system is completely eliminated.

The second problem is associated with the lack of a system to attract young people to participate in governing bodies, starting with local self-government. The involvement of young people in the political life of the country and the municipal entity, contributes, on the one hand, to the representation of the interests of young people in public affairs, while on the other hand, attracts the younger generation to the management of local authorities issues. This contributes to the creation of a new generation of managerial personnel, and the personnel policy formation.

The third problem is that the education system in the country has completely refused to participate in the formation of personnel policy. Before the implementation of the common state examination, a career guidance system was actively used at schools. Universities also conducted career guidance, which led to significant results, since school graduates enrolled in higher education institutions based on their desire for what they wanted to be. After the implementation of the common state examination, the situation has changed dramatically. Applicants are now more focused on admission scores required to get state-funded places. Vocational guidance work at schools has lost its importance and effectiveness.

The second stage of education is the university (Bakhtina et al., 2015). Here the state has also completely eliminated supporting the employment of even those, who are trained on a budgetary basis. The logic is completely absent: budget money for training of specialists is allocated, while there is no control of the efficiency of the money spent. Is this situation possible in a commercial organization? Not, of course, because any entrepreneur is interested in the return of each ruble invested in the business.

Especially surprising is the state's refusal from budget training of specialists needed for the state and municipal service since state-funded places in this area are not allocated for many years. How can one talk today about the quality of state and municipal employees?

The fourth problem is also related to education, namely the organization of the professional development and retraining system of municipal employees. The research conducted by the All-Russian Council for local self-government has shown a low educational level and professionalism of officials and elected officials of local self-government bodies.

Of course, the personnel policy should also include work focused on training the employee pool, as well as to increase the attractiveness of the municipal service for highly qualified specialists. In this regard, the idea of managerial staff rotation in the public and private sectors of the economy is of interest. As D. Medvedev noted at the Investment Forum held in Sochi in 2012: "The main problem is how to encourage effective managers to come to the civil service. We must create attractive conditions, rather than frighten people with all kinds of restrictions." This statement is based on the assumption that managers, who have successfully proved themselves in the context of market competition, will be able to apply their experience in organizations operating outside the market environment. This idea is quite attractive because it suggests that initiative and creative staff, who have moved to the public service from a business, can bring new managerial practices, forms, methods, and experience, contributing to the efficient performance of the organization. However, there are certain risks associated with the possible manifestation of corruption, protectionism, and conflict of interest (Kirchler et al., 2009).

##### **5. Territorial public self-administration as a form of population's social activity**

The involvement of citizens in the activities of territorial public self-administration (TPS), and the solution of local socio-economic issues is today one of the main tasks facing the state and municipal authorities. Such activity is being developed in many regions, bringing together thousands of people in a desire for positive change. Moreover, today more than ever there is a high demand among the population in this form of social work. And in these circumstances, the support of the TPS is not just promising, but it is

an investment in the future, in the formation of a strong creative civil society.

According to part 1 of article 27 of the Federal Law of October 6, 2003, No. 131-FZ "About the general principles of the local self-government organization in the Russian Federation", TPS is understood as self-organization of citizens in the places of their residence in a certain part of the settlement, the intracity area of the city with federal status, as well as the intracity area for independent and responsible implementation of own initiatives concerning the issues of local importance.

Therefore, the TPS, firstly, is a mechanism of citizens' self-organization (public institution, rather than a public-power institution), and secondly, it is intended to implement their own initiatives in the framework of issues important at the local level (rather than solving directly the issues of local importance). All this characterizes the TPS as a special, territorially determined form of social and civic activities in the field of local self-government. At that, the TPS is not a form of direct popular sovereignty, and its bodies are not included in the system of local governments.

At the same time, although the TPS does not belong to the type of public authority, the legislator recognizes it as a local self-government institution, which can be characterized as a form of involvement of the population in the implementation of local self-government. Without effective TPS, local self-government cannot be effective.

The TPS is primarily an institution of civil society, which has a specific public-oriented goal and scope of activity. By its nature, TPS is a link between the population and the municipal level of public authority. It is a reserve for the development of democracy and the real involvement of citizens in the management of social processes, an effective way to improve population's quality of life, as well as a factor, which contributes to increasing patriotism of citizens and reducing social tension.

## **6. Participation of the population in the development of municipal entities**

Back in 2014, the Russian President set the task to bring the municipal level of power as close as possible to the residents, to approach their problems, so that citizens could take a direct part in resolving issues of local importance, including

through TPS. But the solution to this problem was not easy due to two main problems.

The first problem is related to the low activity of the population in solving local issues. A number of studies of that period have shown that personal readiness to participate in changing living conditions at their place of residence was associated in the minds of respondents primarily with the work on the site improvements, conscientious execution of orders with a significant focus on the organization of affairs from the outside, on the part of the authorities, other organizers, activists, etc., rather than with self-organization. Probably it is a habit of the Soviet period when the population regularly participated in the volunteer clean-up events under the leadership of representatives of territorial authorities. Among the obstacles to their social activity, the absolute majority of residents called the difficult socio-economic situation in the municipal entity and the low standard of living, due to which people did not need such activity since they had to think how to survive. Some people do not believe that their lives can be changed by their own activity. Thus, only every third resident noted that his life in the next year or two would change for the better.

The overall decrease in the activity of the population in relation to its municipal entity, noted by many respondents, is largely due to the lack of confidence that local authorities are able and want to influence the development of the social activity of citizens. Thus, the following answers were received to the question "How do local authorities influence the development of the social and political activity of citizens?":

- contribute to the development – 21.3%;
- do not affect – 41.6%;
- prevent the development – 7.3%;
- one in three respondents found it difficult to answer the question.

The following answers were received to the question: "What determines your participation in solving specific local problems?":

- my personal activity – 12.2%,
- the activity of others – 4.6%,
- confidence that power is ready to hear us – 23.2%,
- the activity of colleagues, friends and family members – 28.6%.

The assessment of the influence of the level of authoritativeness of local power on the increase



of social activity of citizens has shown that only 11.8% of citizens listen to the opinion of persons working in local municipal administrations, 6.4% – to the opinion of deputies of the local Council, and 5.4% – to representatives of local public organizations. At that, only 28.3% of citizens are informed about the existence and activities of any public organizations in the territory of their municipal entity, 53.3% know anything regarding such opportunities, while 18.4% found it difficult to say anything about this issue (Urzha, 2013).

The second problem is related to the fact that the authorities do not react equally to the new form of public activity: somewhere the TPS is supported, while somewhere the possibilities of public self-government have not yet been felt by the authorities. People are different, and so, the local power is different as well. Someone is afraid to share power, someone considers TPS an additional headache (Turchinov, 2002). In municipal entities, where there is a dialogue with the authorities, TPS is formed more actively.

In most constituent entities of the Federation, local administrations, regional governments, and heads of constituent entities support TPS. There are good examples of such effective dialogue (Gaponenko et al., 2006). Thus, in the Central Federal District, the TPS institution develops in all 18 subjects. In general, about ten thousand bodies of TPS have been created in the District. There are areas, where the public activity is higher, and the development of TPS there is more active. This concerns Belgorod, Bryansk, Voronezh, Ryazan, Tambov, and Tula regions. Nevertheless, there are territories where such a form is just gaining ground.

In general, there are more than 35 thousand TPS in the Russian Federation. Thus, today TPS has become one of the most important elements of the local self-government system. The TPS is considered as a promising form of self-organization of citizens, as one of the important reserves for the development of direct democracy and real involvement of the population in the management processes. This is a triple-action tool, which performs the functions of representing and protecting the local community interests, the directly promoting and implementing civil initiatives, as well as carrying out public control over the implementation of the obligations undertaken by the authorities. In addition, TPS is an excellent social elevator for young people. Passing such "school of real affairs", young initiative people will be able not only gaining live administrative experience but

also changing the environment, in which they live, with their own hands. The TPS itself will benefit from the influx of young forces because the new generation thinks in a new way, their ideas and views can refresh the usual solutions (Evstratova, 2006).

## Conclusion

The current socio-economic situation in Russia is quite complicated. Trying to break it by usual methods is impossible. In this regard, today a new paradigm is needed to form socio-economic relations, and here the municipal level largely becomes the basic ground. This necessitates the development of new directions in the activities of local authorities, which can provide a significant increase in the socio-economic condition of municipal entities. This includes an active investment policy and the development of the PPP. To do this, it is necessary to increase the investment attractiveness of regions and territories of municipal entities. The growth of investments is one of the main factors contributing to the rise of industrial production, the general economic recovery, the solution to problems of updating the regional technical and technological base, as well as depreciation of fixed assets in the industry. The solution of these issues is possible only under the condition of effective human resources management, training of professional personnel, the involvement of creative young people in the management, as well as increasing the activity of the population at the local level.

Scientific support of personnel activities at the local level involves the knowledge and use of modern methods of social engineering, based on socio-engineering methodology, which is extremely productive to adopt and implement managerial decisions. Its purpose consists in creating and transferring to the process owners the means and methods of organization of transformative practice. Today, this methodology of management activities should be widely used in the activities of practice managers, in the training of managerial personnel, because only with a competent organization of social engineering is it possible to ensure the effective development of each municipal entity.

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