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Project Management in Russian Regions: The Strategic Effect of Social Partnership

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Abstract
The aim or the article is to concretize the concept of "strategic effect" within the framework of the project approach, which can be interpreted as the result of public project management. The research methodology of the public project management in Russian regions is presented on the base of the correlation analysis for the evaluation of the project management strategic effect.
Authors believe that it is necessary to add additional components to the methodology for the formation of program budgets: the reflection of project forms of social interaction between the state and civil society. This proposal allows giving a more realistic assessment of the strategic effect of social partnership in negative conditions.

Key-words: Project Management, Strategic Effect, Region, Program, Openness.

1. Introduction

Project management skills are more important than ever in government, as the nature of public sector work has steadily trended away from stability, repeatable routines and strict functional boundaries (McCalman: 2015). Project management of the public sphere, started in Russia at the beginning of the 21st century, is aimed at solving social problems of territorial significance. Such management is resulted in the effects received by the authorities and society. Project management is carried out within the framework of strategic directions, and ongoing projects and programs are presented in the form of strategic documents along with budget forecasts, strategies for socio-economic development, etc. But a serious problem is not solved in this field yet. It is connected

with the gap between the use of project management and general lack of its results evaluation (Pasian, Young: 2014). In this regard, the strategic effect of project management can demonstrate the obtained result (Bulavin: 2008).

2. Methodology of Research

Experts used to evaluate projects on the bases of timeliness, completion at the specified budget and envisioned scope (Rasid et al.: 2014). But in the public management such criteria cannot be implemented to a full extent. Despite of strong growth of knowledge in project management, projects continue to fail in terms of scope (i.e. specifications) and quality, in spite of the commonly used measures of cost and time (Thomas, Mengele: 2008). To our mind, the strategic effect represents useful or resultant actions caused by the transition to long-term plans. The effect of the implemented strategic projects or programs is expressed in a qualitative and quantitative relation to the set goal for which the strategic project was developed. The effect can be defined as the ratio of expected and actual costs and terms after the implementation of a strategic project and achievement of the goal, when an analysis of the implemented project is required (Voropaev: 1995; Krivosheeva: 2005).

Certain assessment criteria and the existing information given in statistics make it possible to determine the strategic effect based on indicators - the dynamics of the number of implemented state programs on the territory (of the Russian Federation constituent entity), the dynamics of the state programs share of the territory in the budget expenditures of the territory (of the Russian Federation constituent entity).

A correlation coefficient of strategic planning (Rsp*)* is offered to evaluate the strategic effect*:*

$$Rsp = \sum \mathrm{Rxy} = \sum_{t=1}^{n} \frac{K(x,y)}{\sqrt{\mathrm{D(x)D(y)}}} \quad (1)$$

where:

K(X, Y) – correlation of the values X and Y;

X – number of state programs realized on the territory (of the Russian Federation constituent entity);

Y – state programs share realized on the territory in the budget expenditures of the territory (of the Russian Federation constituent entity);

D(X) and D(Y) – magnitudes of the variance for X and Y.

It should be noted that R-value should always be within the following range $-1 \leq R \leq 1$. The greater is the difference between *R* and zero, the stronger the dependence of X and Y is. If $| R | = 1$,

then the random variables X and Y are connected by a linear functional dependence, Y = aX + b, and at R = -1 the dependence of X and Y is inverse, and at R = 1 the dependence of X and Y is direct.

3. Results

It is possible to determine the expected strategic effect through the content of results (fact and correction of results), saving resources (what is the actual cost or how much it will cost) and time spent (terms and duration), social result (state of the population).

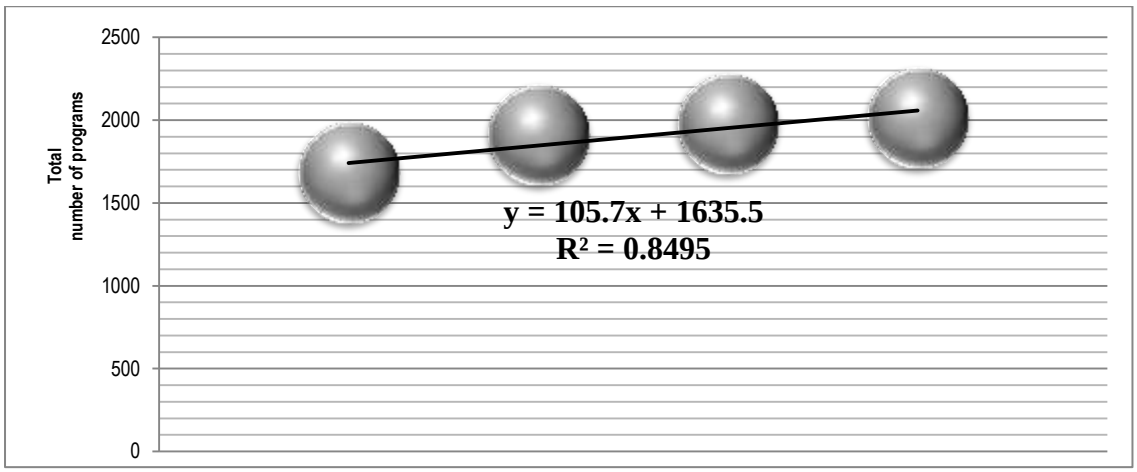
As the key indicators of the strategic effect we propose to use the following ones:

1. *The number of state programs of the constituent entity of the Russian Federation.* According to the collected official information, on the territory of 85 constituent entities of the Russian Federation 2021 state programs for constituent entities were being implemented in 2018 (The order of the Ministry of Finance of Russia No. 145n: 2015).

Throughout the entire period of implementation of the programs, in general, there is a dynamic increase in the total number of government programs implemented by Russian regions. If there were 1687 programs being implemented in 2014, 1915 programs were realized in 2015, then in 2016 there were already 1979 programs, and 2021 programs were introduced in 2018 (Pazdnikova: 2016).

The linear regression equation for changes in the number of state programs implemented in the constituent entities of the Russian Federation is shown in Fig. 1.

Figure 1- Dynamics of the Changes in the Number of State Programs Implemented in the Constituent Entities of the Russian Federation



In terms of the number of programs being implemented, all regions have reached the required criterion - at least 10 programs, and the quantity of programs realized per region is 23 programs. The Southern Federal District (72%) and the Ural Federal District (14.2%) are the leaders in terms of the growth rate of the state programs quantity in 2017, while the Central (2.6%) and Siberian (3.2%) Federal Districts are the outsiders. Among the Russian regions, the group of leaders in terms of the number of government programs implemented in 2018 includes Kurgan (46 prog.) and Samara regions (41 prog.), while Altai Republic (12 prog.), Amur region (13 prog.) And the city of Moscow (14 prog.) can be considered as the outsiders.

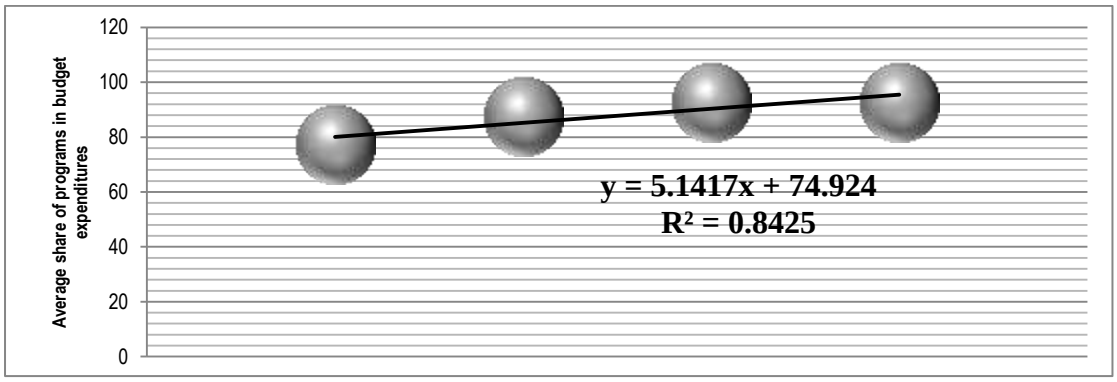
An equally interesting picture is observed in the regions of the Volga Federal District (hereinafter referred to as the VFD). The process of introducing strategic documents into the budgetary process of the VFD regions, for example, began in the period 2011 - 2013 and by 2016 the program budget has been formed in all regions of the Volga Federal District, without exception. If 335 state programs of the Russian Federation were implemented in 14 regions in 2016, then in 2018 their number was equal to 349 programs (332 in 2014, 340 in 2015).

The leaders in terms of the number of government programs implemented in the Volga Federal District are Samara region (41 pr.) and the Republic of Tatarstan (30 pr.), among the outsiders we can mention Saratov region (17 pr.) and the Chuvash Republic (16 pr.). The most significant reduction in the number of programs being implemented is observed in Kirov (-15%) and Samara regions (-6%).

This situation is largely determined by the peculiarities of regional legislation, the external environment and resource provision. Moreover, one can observe a direct dependence of the share of programs in the total amount of budget expenditures on the level of self-sufficiency of the budget in the regions of the Volga Federal District. The Ulyanovsk region is the exception, where the inverse relationship of these indicators is traced.

The state programs share of the constituent entity in the budget expenditure side of the constituent entity of the Russian Federation (programmatic). According to Russian legislation, the state programs of the subject of the Russian Federation must form the expenditure side of the budget within the departmental classification, that is, "programming" of budgetary resources. As a result, in the period from 2014 to 2018 one can observe an increase in the share of state programs in the total amount of budget expenditures, namely, in 2018, on average, the share of state programs in Russian regions increased to 93.6% against 93.4% in 2017 and 92.9% in 2016 (87.4% in 2015, 78.1% in 2014). The linear regression equation for the average share of programs in the budget expenditures of the constituent entities of the Russian Federation is shown in Fig. 2.

Figure 2- Dynamics of the average share of the constituent entity in the budget expenditure side of the constituent entity in Russian Federation

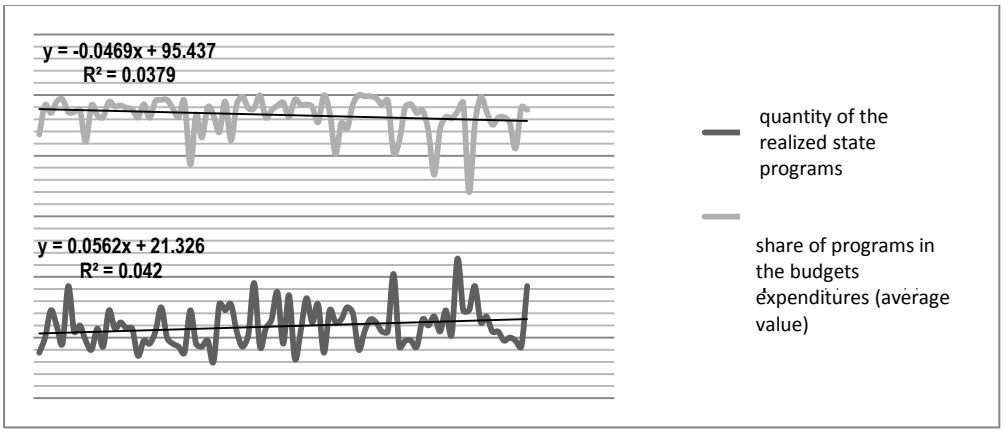


The leaders in the formation of the program budget are the regions of the Far Eastern (96.2%) and Siberian Federal Districts (94.6%). The leaders among the regions in this indicator are: Chuvash Republic (100%), Omsk (99.9%) and Nizhny Novgorod regions (99.6%), and outsiders are Tyumen (68%), Volgograd (73%) and Novgorod regions (77 %).

In the regions of the Volga Federal District, on average, the share of state programs in total budget expenditures increased slightly, namely, to 92.36% from 91.03% in 2017. The largest share of programs is traced in the Chuvash Republic (100%), and the smallest in Samara region (81%) and the Republic of Mari El (80.6%). A significant decrease in the share of programs in budget expenditures is observed in the Republic of Tatarstan (-11.0%), and a significant increase is in Saratov region from 53.2% to 85.0% in 2018 (+ 56%).

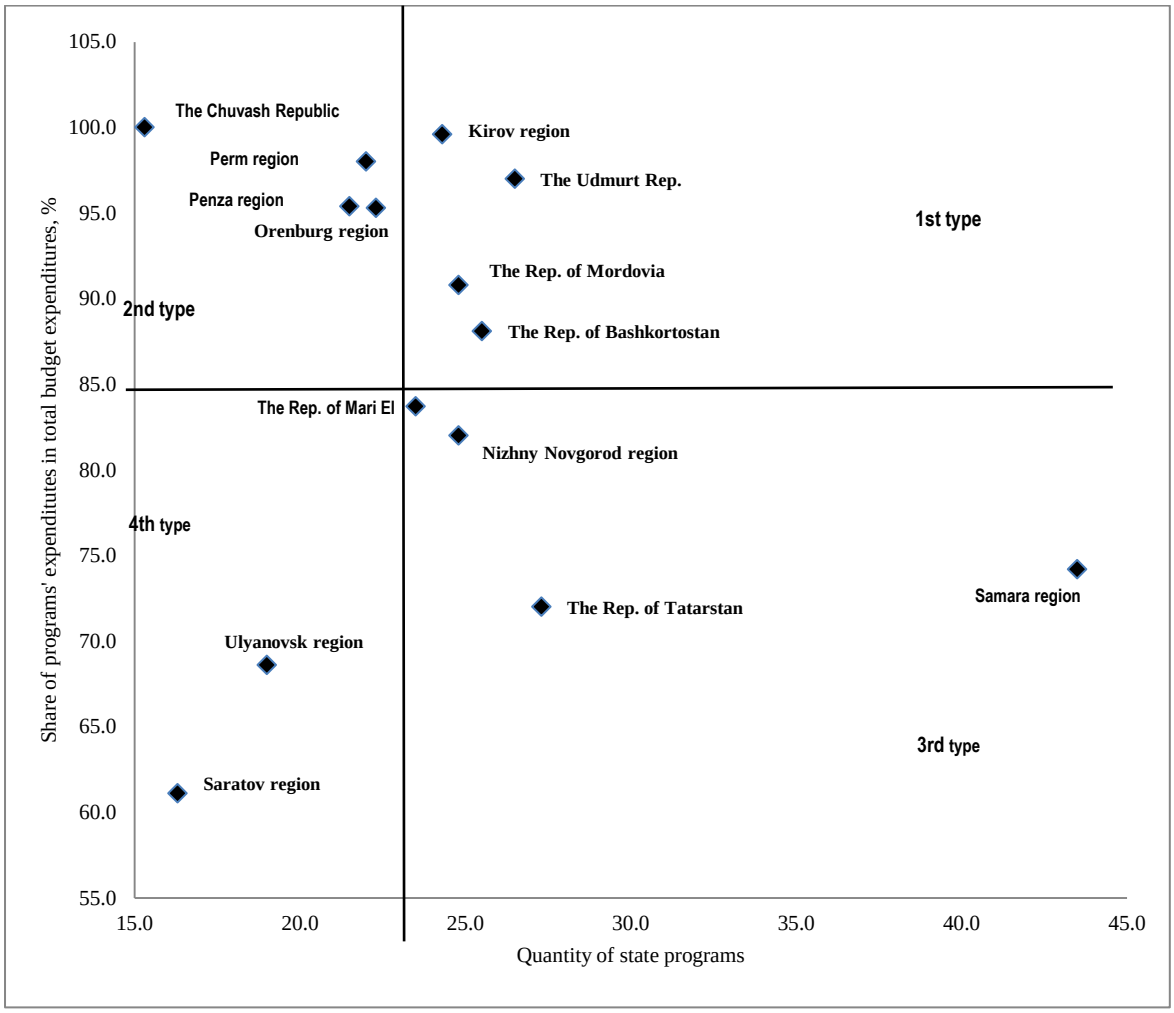
Of course, in recent years there has been an acceleration of the implementation of project management mechanisms in territorial systems, which stimulates the adaptation of the changing quantity of implemented programs to an increase in their share in the expenditures of regional budgets, the dependence of which is shown in Fig. 3.

Figure 3- Dependence of the Quantity of State Programs and their Share in Budget Expenditures, (Average Value)



We believe that the ambiguous dependence of the indicators presented in Figure 3 makes it possible to compare the regions with each other and, thereby, to present a typology according to basic criteria. On the example of the regions of the Volga Federal District, a map of project management types was built according to the basic criteria of state initiatives (Fig. 4).

Figure 4- Map of Project Management Types in the Volga Federal District



The main principle for identifying types of project management is compliance / non-compliance with the criteria (at least 10 implemented state programs and at least 90% of the share of programs in budget expenditures) and correlating them with the average indicators of the studied region (VFD).

Table 1 shows the main project management types typical for Russian regions within the framework of government initiatives.

Table 1- Types of Project Management in VFD Regions within the Framework of State Initiatives, a Dynamic Approach

Type of project management	Characteristics of the type of project management	Regions
Type I - regions with absolutely coordinated project management	Regions of this type are characterized by an agreed number of implemented programs (above average) and their high share in the budget expenditures. This type is common and represents one of the extreme types of project management. However, it cannot be regarded as an ideal one, since the development of such regions depends on the resource base	The Republic of Bashkortostan Kirov region The Republic of Mordovia The Udmurt republic
Type II - regions with coordinated project management	Regions of this type are characterized by an agreed number of implemented programs (below average) and their high share in the budget expenditures. This type is typical for large regions focused more on the development of the service sector	Perm region Penza region Orenburg region The Chuvash Republic
Type III - regions with inconsistent project management	Regions of this type are characterized by an inconsistent number of implemented programs (above average) and their low share in the expenditure side of the budget. This type is often found in regions focused on improving the quality of life of the population.	The Republic of Tatarstan Samara region Nizhny Novgorod region
Type IV - regions with crisis coordination by project management	Regions of this type are characterized by crisis coordination in the number of implemented programs (below average) and their low share in the budget expenditure. This type is typical for regions with an unstable budget and focused on transformational processes in the economy	Saratov region The Republic of Mari El Ulyanovsk region

1. *Openness of data on the achievement of target indicators in the "Budget for Citizens" system.* The strategic planning processes taking place in the Russian regions have a project-oriented focus. This determines the choice of vectors for the development of project activities at the state and municipal levels. According to M. Abyzov, A. Belenchuk and other representatives of the expert community, it is necessary to create a methodology for the formation of program budgets at all levels in an information-understandable form for civil society (Vagin: 2015). As a result, systems of data openness devoted to the achievement of target indicators of "programmatic" budgets began to be used, one of which is the "Budget for Citizens" system.

The most complete formulation of the methodology for the formation of program budgets, in our opinion, was presented by the Ministry of Finance of the Russian Federation at the international forum of the BRICS countries held in Ufa in 2017. According to this opinion, the methodology should include:

1. Presentation of the main parameters of the program budget in a convenient graphical display.
2. Inclusion of information on key indicators of the implementation of government programs in conjunction with strategic goals and the amount of their financial support (Raizberg: 2012; Usakova: 2009).
3. Presentation of budget program expenditures in the context of social target groups of the population (pensioners, students, families with children, etc.) and socially significant large-scale projects.

4. Conclusion

The results of the research have proved the importance of adding additional components to the methodology for the formation of program budgets: reflection of project forms of interaction between the state and civil society or methods of citizens' participation in territorial management and the inclusion of information on projects of civil initiatives in the context of municipalities. A similar point of view was expressed by M. Abyzov, V. Vagin, Yu. Belousov and others (Vagin: 2015).

The annually conducted rating of the constituent entities of the Russian Federation based on the analysis of the practice of data openness on the achievement of indicators, first of all, budget and program indicators, showed the following picture (NIFI: 2019; Slinkova, Skachkov: 2014).

Disclosure of budget data by the constituent entities of the Russian Federation on the basis of the "Budget for Citizens" system was published by all Russian regions already in 2016 (in 2013 there were only 46 such regions).

The rating on the level of official data openness was topped by Orenburg, Krasnodar and Krasnoyarsk regions, which scored from 79.4% to 100% of the maximum possible number of points. The outsiders of the rating are Lipetsk region, Chukotka Autonomous Okrug and Kaluga region. Previously, this rating was headed by the same Krasnoda, Orenburg and Omsk regions. On the last lines are the Chukotka Autonomous Okrug, the Republic of Ingushetia and the city of Sevastopol.

In addition, an open public competition of projects "Budget for Citizens" is held annually within the framework of the joint work of the Ministry of Finance, the Financial University and the Expert Council under the Government of the Russian Federation. 46 projects took part in the first round of the competition in 2017, and 179 projects in the second round, which is 56 more than in 2016. The total cost of projects for proactive budgeting, for example, amounted to almost 3 billion rubles in 2015, 5.89 billion rubles in 2016, and 14.51 billion rubles in 2017.

In order to increase the openness of data, the attraction of citizens in the format of both co-financing and labor complicity is simply necessary, and for this it is necessary to create and involve project centers for initiative budgeting.

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