Objective-Setting is the necessary stage for strategic development of a new industrial city

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Abstract – The article focuses on the importance of objective-setting in the development (updating) of the strategy of socio-economic development of the territory. The stage of objective-setting in the strategic planning documents of megacities of the Russian Federation as typical new industrial cities is analyzed. A hypothesis was put forward and confirmed that there is a relationship between the quality of objective-setting and socio-economic development, the competitiveness of the city. The recommendations for improving the objective-setting in the process of developing (updating) the strategy of socio-economic development of the territory, including new industrial city, have been developed and proposed. The methodological basis of the study is based on the theoretical concepts of strategic management, regional and spatial economics. This study of the objective-setting in the largest cities of the Russian Federation is based on a comprehensive (comprehensive) analysis of social and economic development strategies through the use of a combination of methods: logical, dialectical, cause-and-effect, statistical, etc. This article may be useful to university students, graduate students, research scientists, professionals involved in the development (updating) of the socio-economic development strategies of territories, state and municipal employees, as well as other interested parties.

Keywords – strategy, strategic planning, city, new industrial city, and competitiveness of the city.

1. INTRODUCTION

Strategic planning refers to the relatively new types of planning for the development of various objects, including cities. In Western European countries, interest in strategic planning from state and local governments has been evident since the mid-1980s, and in the United States strategic planning methods have been used since about the early 1970s [1, 2, 3].

At the beginning of the 21st century, the Russian economy was faced with long-term systemic challenges, reflecting both global trends and internal development barriers. The strategic objective was formulated as follows: “achieving the level of economic and social development corresponding to the status of Russia as the leading world power of the 21st century, occupying leading positions in global economic competition and reliably ensuring national security and the realization of constitutional rights of citizens” [4].

For the implementation of breakthrough scientific, technological and socio-economic development of Russia, raising the living standards of citizens, creating comfortable conditions for their residence, as well as conditions and opportunities for self-realization, the national development objectives of the Russian Federation for the period up to 2024 were approved [5].

The purpose of this article is to study objective setting when developing (updating) strategies for the socioeconomic development of megacities of the Russian Federation as new industrial cities, as well as developing recommendations for its improvement.

To achieve this objective it is necessary to perform a number of tasks:

- to study the decomposition of objectives, as well as other categories of strategic nature (strategic vision, strategic status, perspective image, overall development vector, motto, etc.), enshrined in the main strategic planning documents of megacities of the Russian Federation as typical new industrial cities;
- to evaluate the competitiveness of the million-plus cities of the Russian Federation, calculating the values of the urban development index;
- to formulate recommendations for improving the objective-setting in the development (updating) of the strategy for the socio-economic development of the territory.

This study of objective setting in the largest cities of the Russian Federation is based on a comprehensive (comprehensive) analysis of social and economic development strategies through the use of a combination of methods: logical, dialectical, cause-and-effect, statistical, etc.
II. STRATEGIC PLANNING: THEORETICAL APPROACHES

In the scientific literature there are many definitions of strategic planning, one way or another reflects the nature and specifics of this process. Strategic planning, in particular at the city level, should be considered in at least two interrelated aspects – as a process and as an activity [6].

One of the initial stages of the development of a city development strategy is the definition of conceptual foundations (provisions), which, at a minimum, contain the objective setting stage, i.e. definition of the mission and system (“tree”) objectives. It is the objective-setting stage that is one of the most important due to the fact that it is the basis for building a strategy, determining priority directions of strategic development.

The mission is the main purpose of the existence of the object of strategic planning, its philosophy and purpose. The mission should be considered as two interrelated sides of a single whole: first, the external environment, that is, the place of the city in a regional, national and global context; secondly, the internal environment of the city, which determines its specificity, characteristics associated with ensuring the achievement of the main objective of its strategic development. The mission reflects the main directions of the city’s development in the present. It helps to specify in quantitative terms the results to be achieved in each of the specific areas of strategic development. Therefore, the mission is not only the foundation for determining the strategic objectives of the city’s development, but also the framework of the strategy with which specific solutions should be checked [7].

Based on the mission is built a system of objectives. A objective is a specific state (reference point) of individual characteristics, the achievement of which is desirable for an object of strategic planning (a city) and which its activity is aimed at achieving. In world and Russian practice, the most frequently used method in setting (setting) objectives is decomposition, i.e. hierarchical alignment of objectives from the highest (main, general, strategic, super objectives, etc.) to the objectives of the lowest level. The specificity of the hierarchical construction of objectives is due to the fact that the objectives of a higher level always have a broader character and have a longer-term time interval for achieving, while the objectives of a lower level act as means for achieving objectives of a higher level.

In addition to establishing a mission and a system of objectives, other categories may be presented in the strategic planning document of a city – strategic vision, strategic status, perspective image, general development vector, motto, etc.

III. OBJECTIVE-SETTING IN THE STRATEGIES OF SOCIO-ECONOMIC DEVELOPMENT OF MILLION CITIES OF THE RUSSIAN FEDERATION

One of the drivers of the development of the economy of the Russian Federation is the largest cities. At the present stage, the interest of researchers is caused by the processes of new industrialization [8, 9, 10, 11] and, accordingly, the new industrial cities. The new industrial city as a special type of city was identified in 1993 by foreign researchers Savage M. and Warde A. [12].

According to the Ural researchers E.B. Dvoryadkina and E.I. Kaibicheva, a new industrial city is a complex, complex concept, including such basic informative characteristics as:

- “a new industrial city is a city with a differentiated structure of the economy, while preserving the industrial sector in all its diversity (with a predominance of the fifth and sixth technological orders);”
- the activities of the enterprises of the new industrial city, aimed at the production of mass, serial and unique products, their processing, is carried out in the conditions of the new quality of industrial labor and the continuous creation of innovations;
- the development of technology and the associated challenges necessitate the planning of both the activities of large corporations and the development of the city. The development, approval and implementation of strategic programs are becoming an integral part of the activities of managers at various levels. There is an active clustering along the line "production – science – education" [13].

In addition, the criteria of new industrial cities are presented in other works of Ural scientists [14, 15]. Given the above, the authors believe that modern cities of the Russian Federation can be attributed to the new industrial cities.

The literal formulations of the mission and the main objective of the megalopolises of the Russian Federation are presented in the scientific article I.A. Antipina [16]. This article covers the decomposition of the objectives, as well as other categories of strategic nature in the strategic planning documents of million-plus cities of the Russian Federation.

Investigating the specifics of objective-setting in the strategies of megacities of the Russian Federation, they should be divided into three groups 1:

1. the cities, the strategies whereof have been approved for the period up to 2020 – Voronezh, Krasnoyarsk, Novosibirsk, Chelyabinsk;
2. the cities, the strategies whereof have been for the period until 2030 – Volgograd, Kazan, Perm, Yekaterinburg;
3. the cities, the strategies whereof have been approved for the period up to 2025 or have a different lead time – Omsk, Rostov-on-Don and Samara (until 2025), Nizhny Novgorod (2017–2022).

First Group. Voronezh. In addition to the main objective, nine strategic development sub-objectives are formulated to give an idea of decomposition. Three strategic vectors are defined:

- “Human development and the formation of a favorable habitat;
- formation of an effective urban agglomeration;
- innovative development of the economy, its integration into the Russian and world space” [17].

As for each of the vectors, the main areas of activity of local governments and their economic and organizational support are substantiated.

Krasnoyarsk. In addition to the mission and the main objective, the Krasnoyarsk Socio-Economic Development Program presents an image of the future:

1 All cities with a million-plus population of the Russian Federation, except for Ufa, are represented, by virtue of the fact that the Strategy thereof has not been approved and published on any open information resource.
“Krasnoyarsk is an administrative-political and cultural center of the region; Krasnoyarsk is an industrial center with a developed scientific and innovative potential; Krasnoyarsk is a cultural and historical center; Krasnoyarsk is a sports, tourist and recreational and entertainment center; Krasnoyarsk is the largest transport hub, center of information and communication.”

The image of the future “core” of the Krasnoyarsk agglomeration is determined by the creation of new foci, centers of gravity in the fundamental idea of territorial-planning development. The key areas will be areas of concentration of administrative, business, commercial, cultural, infrastructure facilities” [18]

The system of objectives in this document is not presented, and there is no decomposition, in fact.

Novosibirsk [19]. The main objective is decomposed into five strategic objectives (growth of the welfare of city residents; growth of economic potential; growth of educational cultural and spiritual potential; ensuring a safe life in the city; improving the quality of the urban environment), which, in turn, are also revealed for lower levels (target system has been worked out qualitatively).

Chelyabinsk [20]. Despite the absence of a clearly formulated main objective, the general vector of the development of the city is defined – the movement of Chelyabinsk to a new type of modern urban multi-structured economy, the formation of a megacity with ample opportunities for personal development, growth of human capital. Four strategic objectives are presented (raising the general standard of living of city residents; sustainable development of the economy; the Urals is the stronghold of the state; forming a middle class; strengthening the status of a million-plus city).

Second Group. Volgograd. The strategy notes that the mission manifests itself through the performance of a number of functions that determine the “face of the city” and its place in the system of settlement and the spatial division of labor.

The document states the attempt to build objectives hierarchically – to achieve the general objective, the strategy provides four priority areas focused on people and the creation of favorable living conditions (human capital development; development of an innovative economy; improving the quality of the urban environment; developing local self-government).

A long-term image of Volgograd-2030 is also formulated – “a steadily developing metropolis of agglomeration type, with a diversified economy, a growing middle class, open self-government, diverse sociocultural and environmental initiatives, an active civil society” [21].

Kazan. Three scenarios were prepared for choosing the desired future: a vision of the possible state of Kazan in 2030:

“Kazan-2030: the capital of Tatarstan – one of the leading regions of Russia, the center of domestic tourism; Kazan-2030: the third capital of Russia; Kazan-2030: on the way to the world city”[22].

Kazan Strategy presents an absolutely correct, elaborated decomposition of objectives. The main objective is divided into seven strategic objectives (human capital-2030; space, real capital-2030; markets-2030; institutions-2030; innovation and information-2030; natural resources-2030; financial capital-2030), for each of which not only long-term directions of action, but also immediate actions (one of the distinguishing features of the document).

Due to the sociological study, it was found that Kazan citizens generalize their view of their city with the slogan: “Kazan-2030 is a convenient city of successful people, a city of opportunities and development, a city in which you want to move to live”.

Perm. In the Perm Strategy there is no, as such, a decomposition of objectives. The purpose and objectives of socio-economic development are formed along functional-targeted areas (social sphere; public security; economic development; infrastructure development; spatial development; development of the municipal government system), but not disclosed in them [23].

Yekaterinburg. The Strategic Development Plan of Yekaterinburg presents a clear decomposition of objectives. The strategic sub-objectives defined in the conceptual provisions then become target vectors within each of the strategic directions, and the main tasks of the strategic directions become the objectives of the implementation of strategic programs. Proper alignment of objectives is one of the distinguishing features of the Strategic Development Plan of Yekaterinburg.

In addition to the above, the Strategic Plan for the Development of Yekaterinburg has introduced a new category – “strategic vision” [24].

The motto of the strategic development of the city – “Quality of life, innovation, and partnership” remained unchanged.

Third Group. Omsk. The mission and the main objective in the strategy of Omsk are not represented. At the same time, the fifth section of the Strategy presents strategic objectives and objectives of the socio-economic development of 2025 aimed at achieving a strategic vision: increasing the competitiveness of the city’s economy, increasing the competitiveness of the urban environment, improving the quality of life of the city’s population, and increasing the efficiency of the municipal and public administration system [25].

The most priority scenario of strategic development is the “City in which you want to live!” By virtue whereof, Omsk is positioned as the most comfortable city of Siberia.

Rostov-on-Don. The implementation of the main development objective of Rostov-on-Don is associated with the implementation of a planned transition to an innovative economy, a highly developed social services sector that meets the needs of the population for professional and creative self-realization, healthy lifestyles and spiritual development; development of the city as one of the leading scientific, educational, cultural, financial, economic and transport and logistics centers of federal importance, the capital of southern Russia.

Achieving the main objective of the development of Rostov-on-Don for the period up to 2025 involves the implementation of three strategic objectives that are logically
disclosed in strategic directions, presenting the basis of decomposition:

“development of human potential and the growth of the quality of life of citizens;
formation of an innovative, open world, competitive economy, attractive for investment;
balanced and effective spatial organization of the city of Rostov-on-Don” [26].

Samara. The strategy of Samara is different from all the strategies of the million-plus cities of the Russian Federation, including the fact that the mission is formulated in it three times:

“supra-regional mission is to become the hospitable congress-forum, business and industrial Volga center of Russia – the“ Zhiguli Gate ”of Russia in the Eurasian space, at the intersection of North-South and West-East traffic flows;
regional mission is to, as a provincial capital, be a “conductor” of innovations in various fields of activity in the Samara region, an economic and socio-cultural bulwark of the development of the region; as one of the urban foci of the unique Zhiguli agglomeration – to contribute to the agglomeration of the territory in an ecologically consistent integrated space around the Samara Luka;

inner-district mission includes the creation of a comfortable life and activities of citizens in all its territorial “localities”, as well as the formation of creative urban sites, contributing to the disclosure of the creative potential of citizens” [27].

Samara Strategy presents a decomposition of objectives. The general objective is to fulfill ten strategic objectives, which are also subdivided into lower-level objectives.

Nizhny Novgorod [28]. Mission in Strategy is absent. There is an attempt to build objective decomposition. Achieving the main objective is revealed through four sub-objectives (economic development; providing favorable conditions for human development; spatial-environmental development and infrastructure of the city; efficient city management), each of which is revealed in various strategic areas (total number of strategic areas – 23).

Having studied the specifics of the objective setting stage, it is important to assess the competitiveness of the cities studied, to determine whether there is a relationship between the quality of the development of strategic planning documents (in particular, the objective setting stage) and socio-economic development. The values of the urban development index for 2016 were calculated for all megacities of the Russian Federation, including Ufa. The results of the calculation, as well as the leaders in terms of the values of the investigated index are given in Table 1.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Yekaterinburg</th>
<th>Kazan</th>
<th>Novosibirsk</th>
<th>Rostov-on-Don</th>
</tr>
</thead>
<tbody>
<tr>
<td>Birth rate</td>
<td>3</td>
<td>1</td>
<td>6</td>
<td>11</td>
</tr>
<tr>
<td>Mortality</td>
<td>3</td>
<td>2</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Natural population growth</td>
<td>4</td>
<td>1</td>
<td>6</td>
<td>9</td>
</tr>
<tr>
<td>Average monthly salary</td>
<td>1</td>
<td>8</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>Wage arrears</td>
<td>1</td>
<td>7</td>
<td>13</td>
<td>8</td>
</tr>
<tr>
<td>Retail turnover per inhabitant</td>
<td>1</td>
<td>2</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Housing per capita</td>
<td>7</td>
<td>4</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>Entering housing for 1 resident</td>
<td>5</td>
<td>8</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Percentage of children aged 1 to 6 years receiving pre-school educational service</td>
<td>8</td>
<td>4</td>
<td>7</td>
<td>9</td>
</tr>
<tr>
<td>Registered Unemployment Rate</td>
<td>8</td>
<td>9</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Final rating</td>
<td>41</td>
<td>46</td>
<td>60</td>
<td>60</td>
</tr>
<tr>
<td>Place</td>
<td>1</td>
<td>2</td>
<td>3-4</td>
<td>3-4</td>
</tr>
</tbody>
</table>

The data in the table confirm the hypothesis that competent alignment of strategic planning processes, incl. objective setting stage, generates positive impulses in socio-economic development. The decomposition in the strategies of Yekaterinburg, Kazan and Novosibirsk is represented most qualitatively, and it is these cities (as well as Rostov-on-Don) that have taken the leading positions in the values of the urban development index.

One of the main problems of strategic planning processes in the Russian Federation is the lack of uniform methodological approaches to the formation of strategic planning documents. Recommendations on the implementation of the objective-setting stage in the process of developing (updating) strategic planning documents of various hierarchical levels, including cities-megacities as new industrial cities (you can find more details in [16]):

in the conceptual terms, it is necessary to formulate the mission, because it is she who gives the subjects of the environment an idea of the city, its philosophy, sense of existence, purpose, contributes to the formation or consolidation of its image, as well as the unification of stakeholders to the joint achievement of the objectives of strategic development;

It is necessary to formulate the main objective in order to form among all the subjects of the internal and external environment a clear idea of what the city is striving for. It is necessary to clearly build objectives, develop a complete decomposition from the general objective to the objectives of implementing specific (operational, tactical) measures;

with regard to each objective, certain requirements should be observed (reachability, flexibility, measurability, concreteness, compatibility, modernity, acceptability for the main groups of actors);

The objective of territorial (or spatial) development should be provided for inasmuch as it allows to “land” strategic prospects (directions, priorities, reference points, etc.).

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2 The authors calculated it under: [29]
it is necessary to endow objectives with distinctive features and ambition; if necessary, it is possible to develop other conceptual categories of strategic nature (general vector of development, strategic vision, image of the future, “face of the city”, slogan, motto, etc.).

IV. CONCLUSION

Modern strategic planning documents (strategies, strategic plans, etc.) in the Russian Federation were developed for the first time in major cities, whose development research interests somewhat changed over time, as well as with objective transformational processes in a country’s development (economy, politics, etc.) d.) At the present stage of interest are the processes of new industrialization, and, accordingly, the new industrial cities. Summarizing the existing points of view, in this article, precisely the megacities of the Russian Federation are investigated as typical new industrial cities. The stage of objective-setting in the strategies of socio-economic development of Russian million-plus cities has been analyzed. The competitiveness of megacities of the Russian Federation was estimated by calculating the values of the urban development index. It is proved that competent strategic planning by the development of the city ensures high rates of its socio-economic development, strengthening its competitiveness. The recommendations for improving the objective-setting in the development (updating) of the socio-economic development strategy of the territory are formulated.

It should be noted that objective-setting is just one of the stages of the development (updating) of a strategy for socio-economic development, but the success of the strategic development of any territory, including the new industrial city, depends on how correctly it will be implemented. At present, in the Russian Federation, it is necessary to adopt unified methodological approaches to strategizing for the territories of all hierarchical levels, which will ensure the creation of a unified system of strategic planning and strategic management.

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