

## Priorities and Tools for the Transformation of Municipal Governance in the Context of the New Reform of Local Self-Government



**Sergei G.  
ZHESTYANNIKOV**  
Representative Assembly of Vologodsky Municipal District  
Vologda, Russian Federation  
e-mail: jestyannikovsg@volraion.ru

**Abstract.** One of the priority areas in the development of municipal formations in the context of the new reform of local self-government in Russia is the transformation of the system of local self-government, including further consolidation of territorial systems at the municipal level. These issues are to a certain extent reflected in scientific studies and in the research on agglomeration processes as well. At the same time, in the methodological aspect, insufficient attention is paid to the transformation of municipal governance. We believe it is necessary to focus not only on general patterns, but also on the specifics of development of municipal formations located around a large city; these provisions have determined the relevance of the work. The purpose of our study is to develop a methodological approach to substantiating priorities and tools for the transformation of municipal governance in the context of the new reform of local self-government. To this end, we use methods such as analysis and synthesis, structural, functional, monographic, statistical methods, review of municipal practices, etc. Scientific novelty of the research lies in the development of a methodological approach to substantiating priorities and tools for the transformation of municipal governance in the context of the new reform of local self-government. We show that transformation methods such as unification of rural settlements and transition to a single-level system of organization of local self-government, transfer of powers from the level of rural settlement to the level of municipal district, development of inter-municipal cooperation provide positive socio-economic effects for municipal formations. The findings of our work can be replicated and used in the practice of

---

**For citation:** Zhestyannikov S.G. (2022). Priorities and tools for the transformation of municipal governance in the context of the new reform of local self-government. *Economic and Social Changes: Facts, Trends, Forecast*, 15(4), 88–101. DOI: 10.15838/esc.2022.4.82.6

managing the development of municipal formations in Russia; they can also serve as a basis for further research on this topic concerning the improvement of the management system at the local level.

**Key words:** municipal formations, local self-government, local self-government reform, urban agglomerations, inter-municipal cooperation.

### Introduction

Modern trends in the development of municipalities associated with the presence of socio-economic and institutional and management problems, the need to build an integrated system of strategic management of territorial development, greater consideration of the potential of the local community and resource base, make it important to develop methodological approaches to ensure a balanced development of the territory. One of the directions of its achievement is the transformation of municipal management, providing a set of solutions to optimize organizational management structures and reduce asymmetry in the socio-economic development of municipalities, primarily those that are the nearest periphery in the urban agglomeration.

Active interaction of large cities with a population of 250 thousand people and the surrounding areas within a radius of 50–60 kilometers, their organizational, economic and cultural integration provide a significant multiplier effect for the development of both the city and the surrounding municipalities. Their role in the regional aspect is, on the one hand, to ensure the strengthening of inter-municipal cooperation, allowing the effective use of labor, organizational, financial, recreational and other resources to meet the challenges of urban development, on the other hand, to ensure the translation of urban dynamics of socio-economic changes in the peripheral areas.

The above-mentioned guidelines are defined in a number of strategic documents of the country's development. Thus, according to the "Strategy for spatial development of the Russian Federation for the period through to 2025" the most important goal is to reduce the level of inter-regional differentiation in socio-economic development of the constituent

entities in the Russian Federation, including by increasing the sustainability of the settlement system through the development of supporting settlements, rural areas, taking into account population density, different development and use of such territories, natural conditions, distance from large cities, etc.<sup>1</sup>

According to the "Fundamentals of state policy for regional development of the Russian Federation through to 2025" a priority task is the need to ensure economic connectivity of cities with their surrounding areas, as well as urban agglomerations with each other, reducing disparities in quality of life in urban and rural areas<sup>2</sup>.

These priorities were further developed in the updated Constitution of the Russian Federation, the Federal Law 414-FZ "On the general principles of organization of public authority in the constituent entities of the Russian Federation", dated December 21, 2021, Draft Law 40361-8 "On the general principles of organization of local authority in the unified system of public authority" (passed in the first reading on January 25, 2022). The next stage of the municipal reform is designed to increase the efficiency of interaction between all levels of public authority for the socio-economic development of territories through the transition to a new spatial organization of regions based on a single-level model of local self-government<sup>3</sup>.

<sup>1</sup> "On the strategy for spatial development of the Russian Federation for the period through to 2025": Government Order 207-r, dated February 13, 2019.

<sup>2</sup> "On the fundamentals of state policy for regional development of the Russian Federation through to 2025": Presidential Decree 13, dated January 16, 2017.

<sup>3</sup> "On the general principles of organization of local authority in the unified system of public authority": Draft Federal Law. Available at: <https://sozd.duma.gov.ru/bill/40361-8>

Thus, the consideration of trends and problems in the transformation of municipal governance in the conditions of local government reform is relevant for the substantiation of managerial approaches to the optimization of organizational structures and reduction of asymmetry in the socio-economic development of municipalities.

**Literature review**

During the search for effective ways of socio-economic development of territories, foreign and Russian scientists note different methods of managing the development of municipalities: economic, financial, administrative, regulatory, program-oriented, etc. The subjects of governance in this context are the bodies of local government and the population of the municipality. The subjects of direct or indirect influence on the development of municipalities can also include public authorities, business structures, and the non-profit sector. The object of management is the municipality as a socio-economic system of spatial type. *Table 1* presents examples of classifications of methodological tools.

The available classifications do not fully reflect current trends in the development of municipalities, aimed at solving the problems of governance transformation in the conditions of local self-

government reform. In this regard, we note positively the research of T.V. Uskova, N.V. Voroshilov (Uskova, Voroshilov, 2015), which considers the formation of socio-economic districts to eliminate territorial imbalances as a regulatory tool. The importance of the application of these methods in conditions of limited resources is also noted by other authors (Oreshnikov, Ataeva, 2018).

The generalization of approaches to the management of municipal development resulted in our original classification (*Tab. 2*).

Within the framework of the article we have analyzed the methods of municipal-territorial and spatial development, including changes in the type and boundaries of municipalities, as well as inter-municipal cooperation, which allow for socio-economic development of the municipality, taking into account the location factor and opportunities for resource sharing.

Scientific approaches to the organization of inter-municipal cooperation have been studied by both foreign (Casula, 2020) and Russian scientists (Gainanov et al., 2017) and enshrined in legal acts<sup>4</sup>. At the same time, at present, the practice of applying inter-municipal interactions is implemented at the local level fragmentarily. Depending on the

Table 1. Classification of municipal development management methods elaborated in the scientific literature

Author	Methods	Tools
D.S. Khairullov (Khairullov, 2019)	Economic	Direct: budget financing, centralized capital investments, setting tariffs and prices for services and goods; indirect: local taxes, payments for the use of natural resources, lease of municipal property, etc.
	Administrative	Regulatory framework
T.V. Uskova, N.V. Voroshilov (Uskova, Voroshilov, 2015)	Financial	Subsidies, grants, subventions, tax incentives, subsidies for training, expertise of development projects and budgets
	Organizational	Providing consulting services
	Administrative	Formation of socio-economic districts to eliminate territorial disparities; improvement of the regulatory framework
I.M. Pavlenkov (Pavlenkov, 2018)	Financial	Direct financial instruments – financial aid from budgets of different levels
	Non-financial	Gratuitous transfer or sale at a discounted cost of municipal or state property; development of infrastructure (water supply, roads, sewerage, etc.), subsidies from the budget for professional development and training of specialists, etc.

Source: own compilation based on a literature review.

<sup>4</sup> “On the general principles of the organization of local self-government in the Russian Federation”: Federal Law 131-FZ, dated October 6, 2003.

Table 2. Classification of methods and tools for managing the development of municipalities

Methods	Tools
Financial	Budget financing (including transfers, subsidies, subventions, grants), municipal loans
	Extrabudgetary funds
	Co-financing the participation of municipalities in national projects
Economic	Creation of economic and administrative zones with special status (technology parks, science cities, single-industry towns, territorial development zones, territories of advanced economic development, etc.), clusters
	Tariff, price and tax regulation
	Management of municipal real estate
	Support for small businesses, including through municipal orders, grant support, and incentives
	Attracting investment
	Municipal-private partnership
Regulatory and administrative	Municipal regulations
	Development and implementation of strategies, programs
	Project management
	Territorial marketing
	Municipal management consulting, advanced training
	Development of social and economic standards
Regulating the public mood	Digitalization of municipal management and service delivery
	Providing socially important services
	Audit and openness to the public of the results of municipal government
	Development of forms of public participation, including initiative budgeting, territorial self-government
Municipal-territorial and spatial development	Changing the type and boundaries of municipalities
	Intermunicipal cooperation

Source: own compilation.

goals and organizational and legal content, inter-municipal cooperation can take the forms of associative and contractual, and less often economic cooperation (Voroshilov, 2021a; Voroshilov, 2021b). However, we should note that, along with inter-municipal cooperation, there are other methods of municipal development, including municipal-private partnerships, project management, etc.

Inter-municipal cooperation is an effective method of combining the resources of different municipalities to address issues and problems of local importance, as well as the implementation of major investment projects requiring greater coordination of joint actions, which is especially important for the effective management of the municipalities development that are part of urban agglomerations, to

ensure the economic recovery of all its components, not just the “center” (Fang, 2019; Dadashpoor, Ahani, 2019; Kössler, Kress, 2021).

Researchers (Shmidt et al., 2016; Li et al., 2020; Zidong, Xintao, 2021) have argued that large cities should act as innovation centers in relation to the territory to which their political, administrative, cultural and economic influence extends. The transport and communication base of the support framework is a complex of infrastructure corridors, economic axes, along which the bands of population and economy concentration are formed.

In the context of the above changes in the territorial structure, a further transition to a single-level organization of local self-government seems logical<sup>5</sup>.

<sup>5</sup> On amendments to the federal law “On the general principles of the organization of local self-government in the Russian Federation”: Federal Law 62-FZ, dated April 3, 2017; on amendments to the federal law “On the general principles of the organization of local self-government in the Russian Federation”: Federal Law 87-FZ, dated May 1, 2019; “On the general principles of the organization of public authority in the constituent entities of the Russian Federation”: Federal Law 414-FZ, dated December 21, 2021.

Centralization as a current trend of municipal development in Russia, the need for scientific approaches to territorial and spatial changes, including agglomeration, has been studied by many Russian scientists on the examples of particular regions (Dement'ev, 2019; Sirazhdinov, 2021).

A number of scientific papers, including those based on materials of the Northwestern Federal District (Mishchenko et al., 2020; Korechkov et al., 2021), assess the legal, organizational, and socio-economic aspects of the municipal reform of transition to a single-level system of local self-government and develop recommendations to help the authorities and the population adapt to the forthcoming changes. As the positive aspects of the reform, the researchers identified and justified the potential to increase the budget revenues of the district, the optimization of staff and costs for the organization of management, paperwork and regulatory framework, improving organizational efficiency, the unity of territorial planning documents and property management complex. Some negative aspects include possible protest activity, the need to hire employees of the administrations of settlements, and the "remoteness" of government and municipal services from the population.

#### **Methods and data**

The study was carried out with the help of methods of analysis and synthesis, structural and functional, monographic method, tools of statistical analysis, the study of municipal practices, etc.

The conclusions and suggestions are substantiated by an analysis of Rosstat data, information on local budget execution (Database of municipal indicators, Rosstat), the regulatory and legal framework in the field of the new local self-government reform in Russia, and the practice

of municipal transformation and municipal governance (Internet data).

#### **Findings**

Analysis of the local government experience in foreign countries and Russia shows that the period of the second half of the 20th century and the early 21st century is associated with active transformation at the local level. One of the main trends was the enlargement of municipalities, as well as the transition to a single-level model of local government, the inevitable reasons for which many authors consider changes in the settlement system, the concentration of economic growth and human capital in cities, and the reduction in the rural population (Burkova, 2013; Kuznetsov et al., 2019; Bukhval'd et al., 2021). Amendments made to the federal law "On the general principles of the organization of local self-government in the Russian Federation", since 2017 have established the possibility of transforming municipal districts into urban districts, and since 2019 – into municipal districts<sup>6</sup>.

On the basis of changes in the legal framework, the most significant transformations toward the enlargement of municipalities by uniting rural settlements took place in the Leningrad, Vologda, Kaliningrad oblasts and the Komi Republic (*Tab. 3*). At present, the processes of transition to the formation of municipal districts are under way in most of the constituent entities of Northwest Russia. Transition to a single-level system of local self-government has been completed in the Kaliningrad Oblast<sup>7</sup>.

<sup>6</sup> "On the general principles of the organization of local self-government in the Russian Federation": Federal Law 131-FZ, dated October 6, 2003.

<sup>7</sup> "On the regulation of certain issues related to the granting of the status of a municipal district to certain urban districts of the Kaliningrad Oblast": Law of the Kaliningrad Oblast 378, dated December 27, 2019.

Table 3. Number of municipalities in the Northwestern Federal District in 2017–2020 by type of municipality (excluding the federal city of Saint Petersburg)

Constituent entity	Total		MD*		UD**		US***		RS****		MO*****	
	2017	2021	2017	2021	2017	2021	2017	2021	2017	2021	2017	2021
Northwestern Federal District	1322	1247	146	137	53	56	206	195	917	853	0	6
Republic of Karelia	126	125	16	16	2	2	22	22	86	85	0	0
Komi Republic	185	178	14	14	6	6	14	14	151	144	0	0
Arkhangelsk Oblast, including:	226	218	20	19	8	8	21	20	177	170	0	1
Nenets Autonomous Okrug	21	21	1	1	1	1	1	1	18	18	0	0
Vologda Oblast	218	207	26	26	2	2	22	21	168	158	0	0
Kaliningrad Oblast	32	22	3	0	19	22	6	0	4	0	0	0
Leningrad region	217	205	17	17	1	1	64	66	135	121	0	0
Murmansk Oblast	40	36	5	4	12	12	13	10	10	9	0	1
Novgorod Oblast	142	120	21	17	1	1	19	17	101	81	0	4
Pskov Oblast	136	136	24	24	2	2	25	25	85	85	0	0

\* Municipal district; \*\* urban district; \*\*\* urban settlement; \*\*\*\* rural settlement; \*\*\*\*\* municipal okrug.  
Source: compiled according to database of municipal indicators. Rosstat. Available at: <http://www.gks.ru/dbscripts/munst/munst.htm>

In the Vologda Oblast in 2017, the consolidation of municipalities occurred in five municipal districts. We chose Vologodsky Municipal District as the object of closer attention<sup>8</sup>.

Vologodsky Municipal District is one of the developed and large agricultural districts in the region. As of January 1, 2022, it is administratively divided into 10 rural settlements. The district has a favorable economic and geographical location around the administrative center of the region and is part of the Vologda agglomeration. The organizational efficiency of local government allows the implementation of a number of effective

municipal practices. In 2018–2021, Vologodsky District ranked 1st in the regional ratings of municipal districts in the Oblast based on the results of the effectiveness evaluation of local self-government bodies carried out in accordance with RF Presidential Decree 607 “On the evaluation of the effectiveness of local self-government bodies of urban districts and municipal districts”, dated April 28, 2008.

The district is typical for the consideration of problems and prospects of spatial changes of municipal entities in Northwest Russia in the context of the local self-government reform (*Tab. 4*).

Table 4. Population of large cities of Northwest Russia and the municipalities located near them (2021), people

№	Large city	Population	Municipality located near the large city	Population	RF constituent entity
1.	Kaliningrad	482,443	Guryevsky District	68,579	Kaliningrad Oblast
2.	Arkhangelsk	348,343	Primorsky District	24,278	Arkhangelsk Oblast
3.	Cherepovets	316,529	Cherepovetsky District	38,635	Vologda Oblast
4.	Vologda	311,846	Vologodsky District	51,999	Vologda Oblast
5.	Murmansk	292,465	Kolsky District	40,293	Murmansk Oblast
6.	Petrozavodsk	280,170	Prionezhsky District	21,931	Republic of Karelia
	Total	2,031,796		245,715	

Source: compiled according to database of municipal indicators. Rosstat. Available at: <http://www.gks.ru/dbscripts/munst/munst.htm>

<sup>8</sup> On the transformation of some municipalities of Vologodsky Municipal District and on amendments to the regional law “On establishing the borders of Vologodsky Municipal District, the boundaries and status of the municipalities that are part of it”: Vologda Oblast Law 4148-OZ, dated May 29, 2017.

The scientific literature contains ambiguous assessments regarding the consequences of the municipalities' junction for the socio-economic development of territories. A case in point is the lack of a positive effect from the unification of rural settlements in the Kichmengsko-Gorodetsky District of the Vologda Oblast, which is presented in the study (Voroshilov, 2017). The scientist's conclusion about the need to transform the municipal-territorial structure on the basis of a comprehensive feasibility study with clearly defined quantitative and qualitative criteria and the real effectiveness of the processes is fair. This conclusion may be supplemented by a decision, based on a comprehensive analysis of the

territory's development level, on the insufficiency of this measure for a depressed area and the need for additional comprehensive measures of state regulation.

The analysis of the consequences related to the unification of rural settlements in Vologodsky Municipal District reveals a positive trend, as evidenced by the data on the execution of the budgets of Markovskoe and Podlesnoe rural settlements for 2017 and Podlesnoe rural settlement for 2021 (Tab. 5). As the main effects, we point out:

- increasing the investment attractiveness of the united settlement and, as a consequence, increasing the taxable base for personal income tax by 177% compared to the level of 2017;

Table 5. Analysis of budget execution of Markovskoe and Podlesnoe rural settlements for 2017 and Podlesnoe rural settlement for 2021, thousand rubles

Indicator	2017		2021
	MRS*	PRS**	PRS***
<b>Execution of revenues:</b>			
Tax and non-tax revenues	2 740.07	6 189.77	12 987.90
Personal income tax	207.07	1 315.31	2 706.80
Unified agricultural tax	3.05	0.00	0.00
Personal property tax	701.55	1 301.22	2 428.24
Land tax	1 481.85	3 477.41	6 584.35
State duty	27.64	38.14	25.59
Debts and recalculation of taxes, fees and other obligatory payments cancelled	0.00	0.00	-11.86
Income from the use of state and municipally owned property	307.91	57.69	391.78
Fines, sanctions and reparation	11.00	0.00	11.00
<b>Execution of expenditures:</b>			
Nationwide expenditures, including the functioning of the highest municipal official and local administrations	3 481.2	7 745.2	10 980.4
National defense	79.9	199.9	261.2
National economy	2 546.3	3 729.5	0.0
Housing and communal services, including landscaping	351.2	437.2	8 112.1
Education	0.0	19.5	25.0
Culture	2 928.1	4 957.0	10 254.6
Social policy	317.5	154.5	878.9
Physical training and sports	1 150.0	0.0	2 658.6
*MRS – Markovskoe rural settlement; **PRS – Podlesnoe rural settlement; ***PRS – Podlesnoe rural settlement. Source: compiled according to data from the budget execution report of Vologodsky Municipal District provided by the financial department of the regional administration.			

– increasing the management efficiency of the tax potential of its own tax base (personal property tax, land tax) as a whole of 127% to the level of 2017;

– additional taxes allowed to increase financing of the social sphere in the field of culture (by 130%) and physical training and sports (by 123%);

– the reduction of expenditures on the administrative personnel was 3%; however, taking into account the increase in municipal employees' salaries by 20% starting in 2020, we can note as a fact that the growth in general government expenditures has been avoided.

Moreover, an indisputable evidence of improved management efficiency and transparency of interaction with private business and the population is an increase in the number of implemented

investment and infrastructure projects, including the use of mechanisms of initiative budgeting (Tab. 6).

The presented positive effects of the unification of settlements can serve as a basis to consider the issue of transforming the settlements that are part of Vologodsky Municipal District by means of their unification and giving the newly formed municipal entity the status of municipal district.

In the context of the purpose of the study, it seems important to consider the implementation of the practice of concluding agreements on the transfer of powers between the district and the settlements that are part of it<sup>9</sup>.

At present, inter-municipal “economic” cooperation is not represented in the district, and the district and its settlements are not founders or participants in any inter-municipal organizations.

Table 6. Financing volumes of investment projects and projects under the People's Budget program implemented in 2017–2021 on the territory of Markovskoe and Podlesnoe rural settlements and Podlesnoe rural settlement, million rubles

Indicator	2017		2018	2019	2020	2021
	MRS*	PRS**	PRS***			
Investment projects	0	0	<b>281.334</b> (construction of a cowshed in the village of Kharachevo, opening of the enterprise OOO Vologodskaya Zelen in the village of Vasilievskoe)	<b>424.8</b> (start of the Akvaprodukt fish farm construction project in Gribkovo settlement, start of construction of the OAO Rodina dairy farm in Vasilyevskoe settlement)	<b>393.4</b> (continuation of 2019 projects)	<b>607.47</b> (construction of a medical and obstetrical station in Gribkovo, construction of a dairy farm in Vasilievskoe, continuation of the Akvaprodukt fish farm construction project)
Projects under the “People's Budget” program	0	0	<b>0.25</b> (playground)	<b>1.3</b> (2 sports grounds, lighting of a hockey court, purchase of sports equipment)	<b>1.9</b> (3 playgrounds, repair of the yard area)	<b>4.3</b> (4 playgrounds, street lighting, gym equipment)

\*MRS – Markovskoe rural settlement; \*\*PRS – Podlesnoe rural settlement; \*\*\*PRS – Podlesnoe rural settlement.  
Source: compiled according to Rosstat data. Available at: [https://rosstat.gov.ru/investment\\_nonfinancial](https://rosstat.gov.ru/investment_nonfinancial)

<sup>9</sup> “On the procedure for participation of Vologodsky Municipal District in intermunicipal cooperation”: Decision of the Representative Assembly of Vologodsky Municipal District 243, dated June 17, 2014.

Analysis of the transferred volumes of financing for 2017–2022 (*Tab. 7*) clearly shows a trend toward centralization of the powers execution – an increase in the financing volume of powers transferred from settlements to the district level. In the structure of the transferred volumes, this trend is ensured by:

- reduction in financing of the authorities to supply water and perform road activities with regard to local roads (for reference: 99.7% of the total amount of financing of the delegated authorities is financing of road activities);

- increasing volume of financing of authorities transferred from the level of settlements to the level of district to implement measures of the program for formation of a modern urban environment (landscaping) in settlements, the authority to provide cultural and budgetary (accounting) services to settlements (for reference: 84.7% of total

financing of the transferred authorities is financing of the authority to provide landscaping).

Since 2019, the authorities for road activities of three settlements have been transferred to the district level and are implemented in an inter-settlement format – the Municipal Budget Institution of Vologodsky Municipal District “Road maintenance and construction department” (hereinafter – MBI “DMCD”). In 2021, MBI “DMCD” serviced the five largest settlements in the district. Analysis of costs (*Tab. 8*) for implementation of the authority (taking into account increase in the cost of materials and wage growth) shows that in the period 2017–2021 the annual costs of independent exercise of the authority by rural settlements increased by 162.3%, the costs of road activities when the authority was transferred to the MBI “DMCD” – by 121% (while the area of the serviced territory remained the same)<sup>10</sup>.

Table 7. Amount of financing of the transferred powers for 2017–2022 in Vologodsky Municipal District, thousand rubles

Settlement	2017		2018		2019		2020		2021		2022	
	↓*	↑**	↓	↑	↓	↑	↓	↑	↓	↑	↓	↑
Kubenskoe	5 904.1	4 574	5 811.8	4 272	6 674.1	659	8 214.6	757	10 260.5	774	8 909.6	710
Leskovskoe	3 592.8	74	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Mayskoe	4 845.8	224	5 319.3	176	6 098.6	918	358.5	503	179.6	910	14.1	930
Markovskoe	2 442.3	74	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Novlenskoe	4 503.9	74	6 499.5	89	5 958.3	536	7 840.9	436	9 042.0	636	7 708.4	1 330
Podlesnoe	3 821.1	74	6 002.7	171	110.4	643	115.4	585	10.4	792	10.4	790
Prilukskoe	993.0	74	1 010.1	89	1 769.5	437	3 640.0	436	1 520.6	636	1 601.6	680
Semenkovskoe	7 783.3	74	3 041.4	172	693.6	647	331.0	508	3.1	762	3.1	855
Sosnovskoe	2 625.9	74	6 006.1	158	5 778.3	590	245.9	530	4.5	747	4.5	770
Spasskoe	5 196.3	74	4 435.6	170	674.5	637	215.0	2 052	6.0	6 294	6.0	6 128
Staroselskoe	6 006.6	74	4 719.3	89	6 409.6	508	7 632.2	585	7 981.0	723	7 908.0	767
Fedotovskoe	865.6	224	1 299.2	359	1 801.5	740	1 601.5	609	1 451.5	902	1 500.5	928
<b>Total:</b>	<b>48 580.7</b>	<b>5 688</b>	<b>44 145.0</b>	<b>5744</b>	<b>35 968.4</b>	<b>6 315</b>	<b>30 195.0</b>	<b>7 002</b>	<b>30 459.3</b>	<b>13 176</b>	<b>27 666.2</b>	<b>13 888</b>

\*↓ – the powers exercised by the authorities of the settlements; \*\*↑ – the powers exercised by the district authorities.  
Source: compiled according to the data from the budget execution report of Vologodsky Municipal District, provided by the financial department of the administration.

<sup>10</sup> On the approval of a comprehensive scheme of traffic organization of Vologodsky Municipal District: Resolution 234-01 of the Administration of Vologodsky Municipal District, dated February 8, 2021.

Table 8. Expenditures on road activities by executors of powers in 2017 and 2021, thousand rubles

The executor of the authority for road activities	Length of roads (km)	Amounts of financing	
		2017	2021
<i>1. Independent exercise of powers in 2017–2021</i>			
1.1. Kubenskoe rural settlement	255.43	5 640.30	9 480.00
1.2 Novelskoe rural settlement	215.85	4 245.40	7 950.00
1.3 Prilukskoe rural settlement	26.00	928.40	1 519.00
1.4 Staroselskoe rural settlement	208.77	5 596.00	7 636.20
1.5 Fedotovskoe rural settlement	5.74	865.10	1 451.00
<b>Total 1</b>	<b>711.78</b>	<b>17 275.20</b>	<b>28 036.20</b>
<i>2. Independent execution of the power in 2017 and centralized service in 2021</i>			
2.1 Mayskoe rural settlement	165.67	4 714.40	-
2.2 Podlesnoe rural settlement	170.31	6 113.50	-
2.3 Semenkovskoe rural settlement	93.54	3 436.20	-
2.4 Sosnovskoe Rural Settlement	183.64	6 064.30	-
2.5 Spasskoe Rural Settlement	156.50	5 049.10	-
Municipal budgetary institution “Road maintenance and construction department”	769.67	0.00	30 748.60
<b>Total 2</b>	<b>1 539.34</b>	<b>25 377.50</b>	<b>30 748.60</b>
<b>TOTAL 1 and 2</b>	<b>2 251.12</b>	<b>42 652.70</b>	<b>58 784.80</b>
Source: compiled according to the data from the budget execution report of Vologodsky Municipal District, provided by the financial department of the administration.			

Pursuant to Vologda Oblast Law 5122-OZ, dated May 6, 2022, a municipal reform and transition to a single-level system of local self-government with a transition period till January 1, 2023 is being implemented in Vologodsky Municipal District<sup>11</sup>.

The model of local self-government organization on the territory of the district (*Figure*) is based on the preservation of local authorities in the format of territorial bodies of the regional administration with the rights of a legal entity, whose authority is planned to include landscaping, participation in the implementation of the Strategy of socio-economic development of Vologodsky

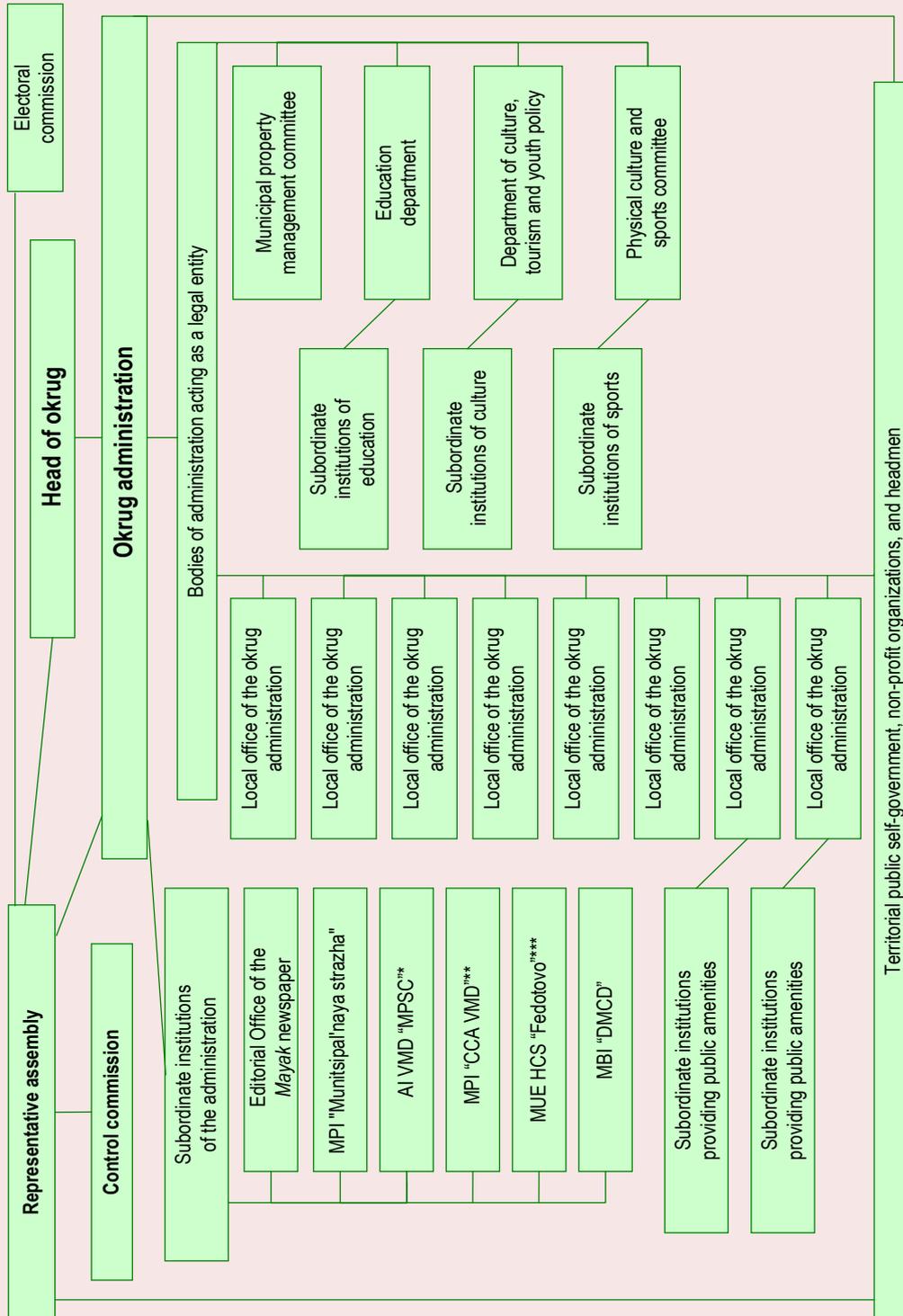
Municipal District for the through up to 2030, work with the local community (territorial public self-government, the Institute of Elders, local public organizations).

Settlement institutions in the spheres of culture and sports will be placed under sectoral jurisdiction, and it is also planned to centralize accounting and road activities.

The need for such a structure is related to the existing system of settlement in the area, the lack of a district center, the presence of a large number of large settlements. Under these conditions, it is necessary to preserve the social, road, and engineering infrastructure and prevent the concentration of resources and the population in the urban district. The proposed model in synthesis with the support of the development of various forms of public self-government will help to level the main risks of the reform associated with the “separation” of power from the population.

<sup>11</sup> On the transformation of all settlements that are part of Vologodsky Municipal District of the Vologda Oblast by merging them and giving the newly formed municipal entity the status of a municipal district and on amendments to certain laws of the Oblast: Vologda Oblast Law 5122-OZ, dated May 6, 2022.

Model of the local self-government organization in Vologodsky Municipal District



Abbreviations:  
 \* AIVMD "MPSC" – autonomous institution of Vologodsky Municipal District "Multifunctional Public Services Center";  
 \*\* MPI "CCA VMD" – municipal public institution "Vologodsky Municipal District center of computational analysis";  
 \*\*\*\* MUE HCS "Fedotovo" – Municipal Unitary Enterprise of Housing and Communal Services "Fedotovo" of Vologodsky Municipal District.  
 Source: own compilation.

The transformation of local governments will improve organizational efficiency: eliminate duplication of local issues at different levels of government, ensure the unity of territorial planning documents and management of the property complex, and optimize inter-budget relations, document flow and the regulatory framework.

As a result of the reduction of expenditures on municipal elections and the administrative personnel in the amount of over 15.0 million rubles, the released funds may be allocated to the implementation of development projects. The most important result of the reform will be a more efficient management of resources, primarily land. The district development vector is aimed at infrastructural and demographic development, in this connection it is extremely important to eliminate administrative barriers for investors and citizens. The transition to a new model of local government organization will make it possible to implement a more effective territorial development policy with regard to the use of the economic potential of developed settlements.

Inter-municipal cooperation, for which the two-level organization of local government served as a brake, can become a key resource for the development of the territory of the district within the framework of the Vologda agglomeration that is being formed. To implement this strategy, it is necessary to sign an agreement on cooperation between the Vologda Urban Okrug and Vologodsky Municipal District, which should fix the directions, forms, mechanisms, and order of implementation of cooperation between these municipalities. The mechanism for implementing the agreement can be the elaboration of the Vologda agglomeration development concept, which provides the main directions and stages of development, taking into account the inclusion of Sokolsky and Gryazovetsky districts of the Vologda Oblast in the future.

The formation of a municipal district will make it possible to move to the next stage – the agglomeration development of the territory through the creation of a network of supporting settlements as local socio-economic centers of development. Changes in the documents of territorial planning will contribute to the improvement of the settlement structure, diversification of the economy, and enhancement of industrial development. This process is already underway, as evidenced by the agreement on the creation of the Leskovo Industrial Park on the territory of 63 hectares. The implementation of the project will help to create new jobs and reduce the dependence of the region on the largest enterprises of metallurgy and the chemical industry.

### **Conclusion**

The study revealed the problems and prospects of transforming the management of municipalities as a set of solutions to optimize organizational management structures and reduce asymmetry in the socio-economic development of municipalities, primarily those that are the nearest periphery in the urban agglomeration.

We have developed and adapted theoretical and methodological provisions and practical recommendations to improve the management of the municipal entity located near a large city. The positive economic effect for the socio-economic development of the municipal entity located near a large city has been proved by such methods as consolidation of rural settlements, transfer of powers from the level of rural settlements to the level of municipal district, and transition to a single-level system of local government organization.

The scientific novelty of the conducted study consists in the development of a methodical approach to the substantiation of priorities and tools for transforming the system of municipal government in the context of the new reform of local self-government.

The results presented in the article can be replicated and used in the practice of managing the development of municipalities in Russia, as well as

serve as the basis for further research on this topic, relating to the improvement of the management system at the local level.

## References

- Bukhval'd E.M., Valentik O.N., Kol'chugina A.V. et al. (2021). *K novym "Osnovam gosudarstvennoi politiki v sfere razvitiya mestnogo samoupravleniya"* [To The New "Fundamentals of State Policy in the Sphere of Local Self-Government Development"]. Moscow: Institut ekonomiki RAN.
- Burkova O.M. (2013). Local government in France. *Munitsipal'naya vlast'=Municipal Authority*, 4, 12–18 (in Russian).
- Casula M. (2020). A contextual explanation of regional governance in Europe: Insights from inter-municipal cooperation. *Public Management Review*, 22(12), 1819–1851.
- Dadashpoor H., Ahani S. (2019). A conceptual typology of the spatial territories of the peripheral areas of metropolises. *Habitat International*. Available at: <https://doi.org/10.1016/j.habitatint.2019.102015>
- Dement'ev V.S. (2019). Optimization of the administrative-territorial division of the Pskov Oblast: Assessment of the consequences. *Geograficheskii vestnik=Geographical Bulletin*, 1(48), 14–25 (in Russian).
- Fang C. (2019). The basic law of the formation and expansion in urban agglomerations. *Journal of Geographical Sciences*, 29, 1699–1712.
- Gainanov D.A., Tazhitdinov I.A., Ataeva A.G. (2017). Inter-municipal cooperation in the Russian Federation: theoretical and practical aspects. *Ekonomika i predprinimatel'stvo=Journal of Economy and Entrepreneurship*, 8-2(85), 295–300 (in Russian).
- Khairullov D.S. (2019). Forms and methods of municipal management of the socio-economic development of the municipality territory. *Vestnik Kazanskogo tekhnologicheskogo universiteta=Bulletin of Kazan Technological University*, 23, 207–214 (in Russian).
- Korechkov Yu.V., Velikorossov V.V., Rakauskiene O.G. (2021). Innovative organizational and economic approaches towards the consolidation of municipalities (on the example of the creation of the Cherepovets municipal district). *Sotsial'no-politicheskie issledovaniya=Social and Political Research*, 3(12), 56–71 (in Russian).
- Kessler K., Kress A. (2021). European cities between self-government and subordination: Their role as policy-takers and policy-makers. In: *European Yearbook of Constitutional Law 2020*. Vol. 2. The Hague: T.M.C. Asser Press.
- Kuznetsov S.V., Mezhevich N.M., Shamakhov V.A. (2019). Spatial aspect of the evolution of local self-government in the Russian Federation: Possibilities of taking into account foreign experience. *Upravlencheskoe konsul'tirovanie=Administrative Consulting*, 9, 8–14 (in Russian).
- Li Li, Xiaojian Li, Jiawei Xu. (2020). Evolution of rural settlement in an inland nonmetropolitan region of China at a time of rapid urbanization: The case of Gongyi. *Journal of Rural Studies*, 79, 45–56.
- Mishchenko V.V., Lyakisheva V.G., Yudina V.V. (2020). On the implementation of the experience of the regions of Russia in creating municipal districts in the administrative and territorial structure of the Altai Region. *Ekonomika. Professiya. Biznes=Economics. Profession. Business*, 4, 81–89 (in Russian).
- Oreshnikov V.V., Ataeva A.G. (2018). Territorial transformation or inter-municipal cooperation: Comparative impact assessment based on economic and mathematical modeling. *Vestnik Tyumenskogo gosudarstvennogo universiteta. Sotsial'no-ekonomicheskie i pravovye issledovaniya=Tyumen State University Herald. Social, Economic, and Law Research*, 4(4), 271–296 (in Russian).
- Pavlenkov I.M. (2018). A software approach to promoting the development of the municipality. *Innovatsii v menedzhmente=Innovations in Management*, 3(17), 44–53 (in Russian).
- Shmidt A.V., Antonyuk V.S., Francini A. (2016). Urban agglomerations in the regional development: Theoretical, methodological aspects. *Economy of Region*, 12(3), 776–789.

- Sirazhdinov R.Zh. (2021). The current implementation stage of the territorial development strategy of Russia. *Munitsipal'naya akademiya=Municipal Academy*, 2, 122–127 (in Russian).
- Uskova T.V., Voroshilov N.V. (2015). *Regional'naya politika territorial'nogo razvitiya* [Regional Policy of Territorial Development]. Vologda: ISERT RAN.
- Voroshilov N.V. (2017). Municipal-territorial system in Russia: Adaptation to diversity. *Voprosy territorial'nogo razvitiya=Territorial Development Issues*, 2(37), 1–15 (in Russian).
- Voroshilov N.V. (2021b). Trends and prospects for changes in the municipal-territorial structure in Russia. *Problemy razvitiya territorii=Problems of Territory's Development*, 25(5), 105–124 (in Russian).
- Voroshilov N.V. (2021a). Inter-municipal cooperation in Russia: Status, problems and prospects of development. *Ekonomicheskie i sotsial'nye peremeny: fakty, tendentsii, prognoz=Economic and Social Changes: Facts, Trends, Forecast*, 14(6), 141–159 (in Russian).
- Zidong Yu, Xintao Liu. (2021). Urban agglomerations economies and their relationships to built environment and socio-demographic characteristics in Hong Kong. *Habitat International*. Available at: <https://doi.org/10.1016/j.habitatint.2021.102417>

### Information about the Author

Sergei G. Zhestyannikov – Head of Vologodsky Municipal District, Representative Assembly of Vologodsky Municipal District (24, Pushkinskaya Street, Vologda, 160000, Russian Federation; e-mail: [jestyannikovsg@volraion.ru](mailto:jestyannikovsg@volraion.ru))

Received May 4, 2022.