

2.3 SOCIOECONOMIC DEVELOPMENT PRIORITIES

2.3.1 Priority goals of economic and social policy

The Conception of Socioeconomic and Urban-Planning Development, elaborated by the Economic Development Committee together with the Architecture and Urban-Planning Committee, was upheld by the Leningrad Oblast government resolution No. 20 of May 28, 1998. The Conception defines goals, key areas and implementation mechanism of social and economic policy pursued by the region's authorities.

The main goal of Leningrad Oblast social and economic policy is to increase living standards of the region's population by means of providing and enhancing social guarantees for those who have no opportunity to work, and creating, maintaining and improving conditions for employed persons.

The progress towards achieving this goal will be measured by annual growth of the integral figure indicating general well-being of the population.

The core of the Conception is formed by economic and social policies (see Table 2.3).

Table 2.3 The Conception of Socioeconomic and Urban-Planning Development structure

The Conception	
<i>Economic policies</i>	<i>Social policies</i>
Budgetary policy	Employment policy
Municipal policy	Migration policy
Investment policy	Housing policy
Property administration policy	Utilities industry policy
Land-law relations policy	Health care policy
Antimonopoly policy	Education policy
Licensing policy	Culture policy
Small business support policy	Social protection policy
Nature management and eco-environmental policy	Youth policy
Energy policy	
Industrial policy	
Agricultural policy	
Transport policy	
Construction policy	
Communications and computerization policy	
Consumer market policy	
Tourist and recreational policy	
External economic relations policy	

Objectives and ways of implementation of the main components of economic and social policies are specified in medium-term and task regional programs, and are backed by appropriate financing.

Budgetary policy

The core purpose of budgetary policy is to more fully address social issues and increase expenditure efficiency.

The policy is carried out in the framework of the regional financial reform program for 2005-2006. In order to accomplish the aforementioned purpose, Leningrad Oblast is introducing a new system of budget planning and execution. In particular, financial

planning is now embedded into the budgetary process as a tool for optimizing budget financial flows.

Taxation policy

The main purpose of regional tax system improvement is to harness economic growth to help increase and stabilize the revenue side of Leningrad Oblast consolidated budget, which should enable a more complete implementation of social programs and enhancement of population well-being.

According to The Conception of Tax System Development, the following taxation policy measures are taken:

- regular monitoring of tax potential,
- improving regional tax legislation while maintaining its predictability and stability for investors,
- providing for ongoing co-operation between Leningrad Oblast state authorities and tax bodies on the basis of annual agreements,
- devising initiatives to increase tax compliance,
- dealing with defaulters that have to pay off tax debt, or are in arrears of penalty fees, fines, or other budgetary payments, - purposeful measures, including conversion of organizations' debt,
- discharge of hopeless debts, bankruptcy procedures, and expunging from the uniform state tax register.

Municipal policy

The purpose of municipal policy is to improve performance of local governing system.

The policy is executed by establishing fair and open inter-budgetary relations. The main areas of the policy have been determined by the regional task program entitled "Reforming the state and municipal government of Leningrad Oblast".

In the framework of municipal policy implementation, there have been developed model charters for urban and rural settlements, municipal regions and urban districts, and also techniques of quota calculation for determining the total value of subventions fed into municipal budgets from the budget of Leningrad Oblast to provide financial means for executing particular authorities devolved on local governments.

Investment policy

The purpose of the policy is to raise Leningrad Oblast competitiveness by promoting investment activities on account of creating favorable conditions for investors.

In the framework of this policy, efforts are made to create and develop favorable investment climate, improve regional investment legislation, ensure tax benefits for the project pay-off period and provide investors with necessary reference information.

State property administration and land-law relations policy

The purpose of state property administration and land-law relations policy is to increase both return on commercial state property and social effectiveness of non-profit public property, to create a new system of land relations that would help regional economic development and land resources conservation.

The main components of state property administration policy are as follows:

- establishment of a clear scheme of co-operation between executive authorities and public institutions involved in property management, to support decision-making with respect to state ownership,
- development of a competitive system of entitlements to use the commercial real estate in state ownership (i.e. operations of real assets sale and lease).

The policy of creating favorable economic conditions for entrepreneurial activity

The purpose of the policy is:

- to create competitive environment and provide conditions for development and efficient operation of regional goods and services markets;
- to ensure that all economic entities, irrespective of their pattern of ownership, are given a guaranteed right to run any type of business not prohibited by law and subject to licensing, and at the same time to provide protection of consumers — individual and corporate;
- to help “proprietary middle class” development as one of the major prerequisites for socioeconomic and political stabilization.

The policy implementation is carried through by fostering a network of specialized institutions supporting small business development (such as funds; loan, insurance and guarantee bodies; technological estates; “business-incubators”; industrial zones and sectors; training, consulting, information and service organizations) and by selective financial support for small business and human resources development and retraining.

As part of tax legislation improvement, a steady lowering of correcting factors used to calculate the amount of the unified tax on imputed earnings is practised. For the first time in Russia, there was created a system of credit and leasing risk sharing for small business.

Nature management and eco-environmental policy

The main purpose of nature management and eco-environmental policy is to achieve sustainable development of Leningrad Oblast by increasing the utilization efficiency of natural resources potential and providing for environmental safety.

The foundations of nature management policy were laid in the law “On the procedure of common mineral deposits concession for geological investigations and mineral wealth exploitation on Leningrad Oblast territory”, the regional government ruling No.31 “On ratification of The Principles of Leningrad Oblast State Policy in the field of minerals utilization and field development” of February, 26, 2004, and in regional task programs, such as “Leningrad Oblast minerals and raw materials sources development and utilization in 2003-2005”, “Leningrad Oblast reserved natural areas support and development for the period through 2010”, “Environmental protection in Leningrad Oblast”.

The policy is put into effect by reinforcing a competitive mechanism of granting natural resources for use on terms of long lease (the scheme was tried for the first time in Russia), creating an automated system of natural resources cadastral register, nurturing development and introduction of environment-friendly, low-waste technologies, focusing on intensive reprocessing and integrated development, establishing environmental monitoring system.

Transport policy

The purpose of the policy is to generate a regional transportation network that would meet the requirements of Leningrad Oblast economy.

The Leningrad Oblast Motor Roads Improvement and Development Program until 2010 involves providing all settlements of the region with year-round motor transport communications.

Urban-planning policy

The purpose of urban-planning policy is to ensure sustainable development of settlements, to provide favorable accommodation conditions for the region's population, to protect rights and legitimate interests of urban-planning agents.

The policy is regulated by Russian legislation, Leningrad Oblast urban-planning code, Leningrad Oblast law "On consolidated plan of urban-planning zoning of Leningrad Oblast territory", the region's government ruling "On creation and administration of the state urban-planning cadastral register" and by the governor's ruling "On confirmation of urban-planning documentation accounting and recording procedure".

Construction policy

The purpose of this policy is to encourage construction industry development and satisfy housing requirements of the region's population. As part of this policy, funds are accumulated to build socially significant establishments and arrange for their consecutive commissioning; expert examination is organized for construction projects in process with the view of their possible sale or rent; top-priority program is executed suggesting harbor installations and airport construction and their adjacent territories development.

Communications and computerization policy

The purpose of communications and computerization policy is to supply population as well as all national economic sectors with state-of-the-art communications facilities.

This policy is implemented in the framework of regional task programs: "Electronic Leningrad Oblast for 2003-2007", "Leningrad Oblast communications and broadcasting system development".

The priority areas of the policy implementation are integration of existing municipal information systems and information resources and stimulating wide application of new telecommunications facilities (mobile and visual communication, electronic and voice mail, Internet technologies, and so on).

The following innovations are supposed to be introduced:

- telemedicine systems, enabling to provide residents of remote villages and settlements with distance medical care of high quality;
- systems of remote access to legal information, which would ensure transparency of legislative and executive bodies and municipal authorities activity.

Measures are taken to upgrade community aeriels, extend the range of cable television services, provide for local television programs broadcasting and arrange for information programs exchange between different districts of Leningrad Oblast.

Consumer market policy

The purpose of consumer market policy is to ensure the best possible satisfaction of public demand for goods and services.

The work to achieve this goal involves the following steps: preparing and realizing pilot projects concerning local markets for food wholesale; creating a system of school catering centers; assigning to domestic services suppliers a task to attend impoverished society groups; preparatory measures required for certification of trade and domestic service firms.

Tourist and recreational policy

The purpose of tourist and recreational policy is to promote development of these industries in Leningrad Oblast.

The main areas of the policy have been determined by the regional task program entitled "Development of Tourist and Recreational Sector in Leningrad Oblast". The policy involves the following measures: preparation of automated cadastral register and certification of the region's tourist areas; promotion of new recreational institutions set-up and re-equipment of those already in place; creation of favorable investment climate associated with tax benefits provided to organizations operating in tourist and recreational services sector.

External economic relations policy

The purpose of external economic relations policy is to increase the level of the region integration into the world economy, to develop trade and economic, scientific and technical co-operation with foreign countries, and to attract international financial and intellectual resources into the region's economy.

In order to implement the policy, the following steps are taken:

- external promotion of the image of Leningrad Oblast as a region enjoying a unique geographic position and attractive investment climate,
- development of information and consulting support system concerning foreign investment attraction,
- making the most of financial opportunities given by international humanitarian and technical assistance programs designed to help Central and Eastern Europe countries development.

Leningrad Oblast co-operates on continuing basis with international and regional economic organizations, national financial institutions, banks, funds, large foreign companies and the neighbor state of Finland.

Employment policy

The purpose of employment policy is to create conditions for effective employment of the region's population, to accommodate conflicting interests of employees and employers, to prevent collective labor disputes.

This policy involves: improving legal regulation of jobs rationing system for the most vulnerable society groups; career-guidance; retraining; social support for military servants displaced as a result of armed forces reforms; promotion of private entrepreneurship and independent professional activity; farming development; encouragement of self-employment. Public works and temporary employment are also practiced. Efforts are made to provide for working conditions evaluation, industrial health and safety regulations compliance certification; to look after foreign workers recruitment and employment terms; to ensure that wages are paid timely and completely.

Migration policy

The purpose of migration policy is population movement regulating and accounting with a view to gain maximum effect for the region's economy.

The policy involves: creating jobs for forced migrants; organizing compact settlements of forced migrants; rationing and intensive recruitment of foreign labor force while toughening supervision over illegal aliens' employment.

Housing policy

The purpose of housing policy is to provide for greater availability of better housing conditions for the region's population.

In order to realize the policy, the following measures are taken: improving housing conditions with the help of state gratuitous subsidies, personal funds of the public and mortgage credits; stimulating conventional house-building industry conversion; upgrading production by means of introducing new, efficient technologies; manufacturing competitive construction materials and building units. The residential concrete-panel buildings of the "first generation" are reconstructed and overhauled, with houses being upgraded and additional dwelling space provided to population.

Utilities industry policy

The purpose of utilities industry policy is to improve the performance of housing utility economy through radical change of housing management, customer's service and funding systems.

Major aspects of the policy in point are set out in The Conception of Leningrad Oblast Utility Services Reform. Activities towards achieving the goals suggested by the Conception include: introducing contractual relationships, promoting competitive environment, improving a system of tariffs for housing and utility services. The reform involves establishment of homeowners' associations as one of the forms of housing organization and management for privatized multi-apartment blocks, and installment of individual water, gas and other energy-supply meters in flats.

Health care policy

The purpose of health care policy is to provide constitutional guarantees of qualified medical care and healthy sanitary conditions of living environment.

The policy will be put into effect by developing a community health protection system of preventive and rehabilitation measures, by maintaining a network of district rural hospitals and involving them mainly on the concluding stage of treatment.

Education policy

The purpose of education policy is to create conditions for exercising the guaranteed social right to learn as well as for providing educational services of high quality.

The policy is implemented in the framework of such legislative acts as the law "On the legal regulation of Leningrad Oblast education service institutions" and such regional task programs as "The development of additional vocational education (teacher's training) in Leningrad Oblast for 2006-2009". The government has introduced the national curriculum of general, secondary and primary vocational education, secondary and higher teacher's training, and regional standards of resource allocation to education institutions.

Culture policy

The purpose of cultural policy is to support and foster culture and art.

Major aspects of the policy in point are spelled out in the regional task program "Leningrad Oblast culture". The policy involves: improving the structure and pattern of budget expenditures in compliance with minimum social standards; focusing budgetary policy on priority areas of culture and art development; creating a many-channel system of culture financing by attracting off-budget funds; promoting art patronage and sponsorship.

Social protection and welfare policy

The main purpose of social protection policy is to create conditions for exercising the guaranteed rights of the most vulnerable society groups.

Key elements of the policy are: expanding the scope of disabled persons rehabilitation and developing social infrastructure; using disabled employees' labor for executing municipal social orders; arranging for providing a range of community and domestic services on differential terms of payment.

Youth-friendly policy

The purpose of youth-friendly policy is to further improve and reinforce legal, economic and managerial conditions for civil development and social self-actualization of the youth.

Major aspects of the youth-friendly policy are spelled out in the regional task program "Leningrad Oblast youth in 2005-2008". The policy suggests: development and stepwise introduction of the system of long-term credits and other forms of financial support for young families with a need for education and accommodation; assistance to young people wishing to get occupational training. Furthermore, an ongoing system of support for children and youth social institutions has been established.

2.3.2 Regional task programs

Regional task programs are one of the critical components of strategic planning. A large proportion of budget expenditures made in the framework of task programs has social, economic and budget justification. These programs ensure consistency and openness of the state social and economic policy; provide opportunities for social dialogue on particular issues of social and economic development. It is when dealing with regional and federal task programs that the questions requiring additional legal coverage are becoming increasingly clear and well-defined.

According to this approach, the regional budget for the year 2006 allows for 31 programs with the total amount of financing equaling 1421.7 mln. rubles, the program "Socially significant diseases prevention and control, and the technical base development of health care institutions in Leningrad Oblast for 2005-2008" including 8 subprograms, and the program "The priority areas of education development in Leningrad Oblast for 2006-2010" - 16 subprograms. For reference: in 2005, 47 programs (costing 1861.6 mln. rubles in sum) were intended for financing.

As for the year 2006, the aggregate amount of financing will make 4226.8 mln. rubles - taking into account the funds expected from other sources (federal budget, municipalities budgets, other sources). The regional budget proportion will account for 33.7%.

Over the 9 months 2006, the regional budget provided funding for 27 programs of the total value of 786.8 mln. rubles, or 55.3% of the total projected amount for the year (in 2005 – 45 programs of the value of 1076.6 mln. rubles, or 57.8% of the total projected amount for the year), or 72.5% of the projected amount for the 9 months 2006. The amount of federal budget financing stood at 1941.5 mln. rubles (76.1% of the total projected amount for the year), municipal budgets accounted for 39 mln. rubles (63.3%) and other funding sources - for 19.5 mln. rubles (10.5%).

The regional budget for the year 2007 suggests implementation of 29 regional task programs, the level of regional budget funding being nearly 1.9 billion rubles. The sum accounts for almost 7% of the total regional budget value. In addition, plans are prepared to develop and implement more than 6 departmental task programs requiring financial expenditure of about 70 mln. rubles.