

5.3. THE PRIORITIES FOR THE SOCIO-ECONOMIC POLITICS

5.3.1 Development of Human Potential

Demography

The main tasks of demographic policy are to stimulate fertility and to decrease mortality of population in the capable to working age.

Migration

The main tasks of migration policy are to stimulate the inflow of migrants possessing desirable professional and social characteristics and to minimize negative costs related to the job placement of migrants.

Health care

The main tasks of the policy in the sphere of health care are following:

- Improving the system of medical insurance (the inclusion of private organizations in the system of obligatory medical insurance)
- Target financing for the priority directions of the health care activities in St. Petersburg

Education and research

The main tasks in the sphere of education are following:

- Assisting cooperation in the process of education of educational institutions, research organizations, museums, libraries, state organizations and business, integrating the educational organizations into contemporary system of information exchange, developing of the necessary material and technical basis.
- In the sphere of primary and secondary education: ensuring the realization of the principle of the free and universal education, educating the students in the spirit of the respect toward the other cultures, tolerance to other people's opinions, preventing propaganda of the superiority of any religion and not allowing teaching any religion in the framework of the required courses in the state institutions of primary and secondary education.
- In the sphere of primary and secondary education: providing conditions for the efficient cooperation of educational organizations and enterprises as a basis for the development of this sector of the educational system, popularization of the primary professional and secondary specialized education among high-school graduates.
- In the sphere of college and post-graduate education: developing the system of educational loans for the students; allocating financing from the budget on the ground of analysis of the needs of St. Petersburg and Russia in certain categories of the specialists.
- In the sphere of supplementary education: creating integrated and efficient system of continuing education in the framework of cooperation of the state and commercial educational organizations of all levels, business and public organizations, providing any person an opportunity for continuous education and for getting additional knowledge matching individual demands, which are determined by the need in personal and professional development.
- Financial aid for the colleges and research organizations in St. Petersburg could be provided from St. Petersburg budget in the forms of grants, stipends, and subsidies awarded on competitive conditions.

Culture

The main tasks in the sphere of culture are following:

- Developing and realizing the program of maintaining, developing, and advancing unique spiritual culture of St. Petersburg as a crucial factor for the consolidation of the population, educating the new generation of the residents of St. Petersburg, forming attractive image of St. Petersburg.
- Developing and approving the unified strategy for the development of culture, tourism, and multi-profile SMEs.

Social protection of population

The main tasks in the sphere of the social protection of population are following:

- Creating the system of state social standards, social norms and regulations, determining criteria for the estimation of the activities of organizations and efficiency of task programs realization, implementing modern service technologies, elaborating the system of standards for the estimation of the quality of public services for the various groups of population.
- Improving legislation determining public services and the provision of social aid for certain categories of population.
- Creating optimal system of the organizations providing social protection and public services for population.

Tourism

The main tasks of policy in the sphere of tourism are following:

- Developing and realizing marketing strategy in the sphere of tourism.
- Promoting the tourist product of St. Petersburg, including business, educational and water tourism, into international market of tourist services.

Youth policy

The main tasks of youth policy are following:

- Assisting social, cultural, creative, moral and physical development of young people.
- Complete realization of socially important initiatives, assisting socially beneficial activities of public youth organizations.
- Supporting and developing the opportunities for providing accessible housing for young people

Physical training and sports

The main tasks in the sphere of physical training and sports are following:

- Maintaining and improving material and technical basis for athletes, building new multi-purpose sports complexes for training the athletes who are the reserve for a national team.
- Supporting elite athletes is a necessary element of the image of St. Petersburg – the city with the long history of glorious sports traditions, the birthplace of many outstanding athletes who has glorified St. Petersburg winning numerous international competitions.

5.3.2. Development of Urban Environment

Urban-planning

The main tasks of urban-planning policy are following:

- St. Petersburg Development as the large center of the post-industrial economy, based on the broad informational and cultural exchange, and concentration of innovational and educational activity.
- Channeling the major part of investment channeled in construction industry for the innovation and development of the existing transport and engineering infrastructure.
- Optimizing the system of transport communications, improving public transportation.

Organizational and legal support for urban-planning

The crucial role in improvement of the conditions for the investment in construction industry in St. Petersburg plays shortening of the period of obtaining investments and getting the permits for construction and related risks, and also the availability of the choice among different variants of investment projects.

The attractiveness of investments into construction industry in St. Petersburg could be increased by means of reconsidering the elements of the Strategy of St. Petersburg related to the allocation of land for construction. After the regulations for urban-planning in St. Petersburg will be enacted it makes sense to expand sales of land plots and to provide land plots with minimal number of investment conditions.

Organizational and legal support for the types of interaction of St. Petersburg executive authorities with the general developers should correspond to the regulation of the Government of St. Petersburg “On the strategic investment projects in St. Petersburg” from 03.01.2005 No. 216 and also to the regulation of the Government of St. Petersburg “On improving the activity for development of territories” which the Government is currently preparing.

Implementing the efficient mechanism of interaction of St. Petersburg executive authorities with

the residents of the city into the urban-planning: complete information for the population and participation of the population in estimating of the prepared decisions is aimed at increasing the awareness of the population and the degree of participation of the population in urban-planning decisions relevant to the interests of the residents of St. Petersburg, which is currently insufficient compared with situation in the other industrial countries. Both positive and negative consequences of the possible partial transfer of the responsibility for urban-planning decisions to the local governments should be carefully considered.

Reforming housing sphere is one of the crucial directions of the policy of the executive authorities in St. Petersburg. The integrated complex of measures is needed aimed on the development of the interested owners and on demonopolizing of the services for the residential buildings, corresponding the requirements of the enacted schema of the reforms in this sphere: federal task program "Housing" for 2002 - 2010, which was approved in the regulation of the Government of Russian Federation from 09.17.2001 No. 675, by the regulation of the Government of Russian Federation from 17.10.2001 No. 797 "On the subprogram "On reforming and modernizing housing and communal services of Russian Federation" in the framework of the federal task program "Housing" for 2002 - 2010", and the regulation of the Government of St. Petersburg from 03.23.2004 No. 431 "On the conception of reforming of the housing and communal services in St. Petersburg for the years 2004-2010".

5.3.3. Improving Ecological Situation

The main activities should be aimed on the prevention of pollution - not on the liquidation of the consequences of pollution. All technologies which are used should be environmentally friendly and decrease the negative impact of industry on the environment. The development and realization of urban-planning, engineering, industrial and other projects should be necessary supplemented by the estimation of their possible impact on the environment. Population should have free access to the ecological information and population and public organizations should have an opportunity for active participation in resolving issues of environmental protection and preservation.

5.3.4. Economy Development

Innovations

Creating conditions for the residents of St. Petersburg for enjoying the quality of life corresponding European standards implies cardinal changes in the economy of the city and significant increase in its efficiency based on innovations and wide-spread implementation of the post-industrial technologies

Taxation and budgeting policy

Taxation and budgeting policy of St. Petersburg should, besides providing financing for public needs fulfillment, ensure favorable business climate.

Tax management

- Taxation policy should be based on the principles of stability and predictability of the tax burden.
- The provision of the tax remissions, including tax credits, should strictly correspond to normative legal acts and should be used mainly for attracting large-scale investments.

Procurement

- Procurement policy is based on the principle of the absence of suppliers' discrimination.
- Procurement policy should support competition among suppliers.
- The criteria used for making decisions about the winners of contests and tenders should be determined and communicated to the participants of the contest/tender beforehand. Awareness of the participants about the results of a contest/tender is ensured by a free access to informational database and by publication of the results of evaluation of all the applications submitted.

Providing state guarantees

- State guarantees are limited for the support of financing for the investment projects aimed at the creation of the objects of urban and social infrastructure.
- The provision of the state guarantees is subject to the normative regulation by the appropriate

laws of St. Petersburg.

- State guarantees should not be used as a mean for the delayed payments.
- State guarantees are provided on the competitive conditions.
- State guarantees are payable. The payment for the provision of the state guarantees are intended to compensate the risk inflicted on St. Petersburg budget, which provides guarantees.

5.3.5. Regulation and Deregulation

Tariff regulation

The purpose of St. Petersburg tariff policy is:

- The gradual transition to the full amount of payment for the works and services needed for maintenance and repairing of the living quarters, which provides for the keeping of the common property in the apartment houses according the legal requirements;
- The transition to the amount of payment for the public utilities based on the records of the meters or on the standards for the consumption of public utilities;
- Using methods for determining of tariffs (or prices) based on the economically reasoned norms of spending or on the indexation of the economically reasoned tariffs (or prices)

Regulation and administrative barriers

Reduction of administrative barriers assumes following directions of activity:

- *Preparing expert documents, which later will be used by the organizations, interested in deregulation:* finding organizations and persons, which are interested in setting up the barriers; revealing the consequences of administrative barriers: the calculations of direct and transactional costs, which are the consequences of a certain barrier (including negative consequences for the state and first of all for tax proceeds); studying world practice of the similar regulation and its consequences; studying legal validity of the various mechanisms of regulations; preparing recommendations for the entrepreneurs, suffering from excessive regulation.
- *Challenging normative and legal acts and actions of the regulating authorities in the courts of all levels on any relevant grounds.* The use of legal instruments also implies legal assistance and consultations for the entrepreneurs, who encounter with the losses because of the excessive regulation. First of all attention should be paid to illegal regulation (it is the case in which regional requirements contradict federal legislation as it is in the situation with licensing and granting permits).
- *Organizing discussions of the issues related to regulation with the participation of all stakeholders and the representatives of all branches of the governmental authorities.* The place for the negotiations could be both governmental premises and the premises of public organizations and associations.
- *Interacting with mass media, providing journalists with information for publications, social advertisement etc.* In the focus of attention should be: the opportunities provided by the package of the federal laws on deregulation; regional practices of application of aforementioned laws (first of all, the infringements of this laws by governmental authorities); normative and legal acts which are currently prepared concerning regulation and deregulation; negative consequences of the excessive regulation, including increasing prices for production, works and services, and corruption.

State property management

Privatization of the major part of the state unitary enterprises (further mentioned as SUE) and the shares of St. Petersburg in the public companies will allow increasing the efficiency of the management of city's property, which will help to improve business climate in St. Petersburg.

In the long-term perspective the main priority in the management of the city's property is gradual termination of the business activities of the city, aimed at getting profit and carried out on par with the other participants in the commercial turnover.

Land and real estate are the most valuable resources of St. Petersburg. Privatization and sales of land plots and commercial real estate will become the final stage of the formation of the market economy.

It is necessary to turn into public companies and than to privatize the major part of SUE. The major

part of the packages of shares owned by St. Petersburg should be sold. This will allow for the exit of the state from business, will create healthier competitive environment and attract investors to the former SUE and enterprises with the mixed (state and private) ownership.

The revenues, which St. Petersburg budget will lose because of privatization, should be compensated by means of more qualified tax management and additional proceeds from taxes on property.

The conditions for effective city property management

To increase the efficiency of the state control over the usage of the state property and of the management of the state property following measures are needed:

- Optimizing the structure of the managed objects;
- Ensuring the rights of St. Petersburg as an owner and the participant in both commercial and non-commercial organizations;
- Ensuring proper accounting and control over the safety and proper use of the property owned by St. Petersburg;
- Creating and maintaining complete informational database of the objects of state property;
- Developing and approving the methods of the financial analysis of the efficiency of the operations of business organizations in which St. Petersburg participates.
- Evaluation of the market prices for the shares owned by St. Petersburg by independent experts;
- Improving planning and accounting of the revenues in St. Petersburg budget from the use of the state property;
- Elaborating the system of regular reports of the state enterprises and other commercial organizations, using state property in their business.

The policy concerning the city's real estate

The development of St. Petersburg and the development of business activities require overcoming of the land and real estate deficit available for the commercial usage. For that purpose it is necessary:

- Privatizing the part of the land and real estate owned by St. Petersburg by means of open auctions;
- The Committee on City Property Management should delegate some functions of the city property management to the professional management companies on the competitive conditions;
- Creating of agencies for territorial development and transferring city's real estate asset management to commercial structures.

The development of transport and transit potential

Transport and transit complex is a sector of economy requiring significant spatial resources. According to its geographic location St. Petersburg has an essential transit potential. About 80% of freight processed by St. Petersburg's transport nodal point is transit freight which is not directly related to the functioning of the city and its economy.

Currently the major part of incoming and outgoing freight is processed in the Major port of St. Petersburg, making this port the main instrument for the realization of the transport and transit potential of the city.

The major elements of the further development of the Port are following:

- Developing new maritime freight processing regions in Bronka-Lomonosov and Kronstadt;
- Orientation on the specialized transfer terminals;
- Changing the structure of the freight flows, processed in the Major port of St. Petersburg in favor of more profitable, technological and ecologically clean freights;
- Creating the system of the "back-stage" terminals with the purpose to move the maximal possible volume of freight processing out of the harbor zone to these terminals (the system of so-called "dry port" primarily for the container traffic);
- Developing the on-land and water passages to the port;
- Creating the new maritime passenger terminal at the new hydraulic-fill territories in the western part of Vasilievsky Island.