

Possibilities of Ensuring Sustainable Development of Territories, on the Example of the Volgograd Region: Problems and Prospects

E. G. Gorbunova¹, E. V. Belikova², E. V. Mikhaylova³, D. V. Orekhova¹, E. Yu. Chernyavskaya^{1,*}

¹Volgograd Institute of Business, Volgograd, Russian Federation

²Volgograd State Academy of Physical Culture, Volgograd, Russian Federation

³Moscow State University of Civil Engineering, Moscow, Russian Federation

*Corresponding author. Email: timoshenko_k@bk.ru

ABSTRACT

The authors of the study focus on the need for sustainable regional development, using the example of the Volgograd region, since the development of regions, cities and districts that are integrated into the national and international economy, as well as into various investment processes, is of great importance for the progress of modern Russia. Factors influencing the development of the territory are ambiguous economic conditions, unfavorable geopolitical situations that push regions, cities, districts to create new mechanisms and approaches to management. This creates a fierce competition, primarily for the attraction of certain resources. The advantageous position will be occupied by the territory that will be able to meet the needs of its target audiences as much as possible. This situation can be achieved by relying on a marketing approach, since it forms the basis for strategic planning for the development of the territory.

Keywords: investment attractiveness, regional development, ambiguous economic conditions, human factor, human capital development, sustainable development of the region.

1. INTRODUCTION

The relevance of the study. The level of prestige, favorable image and investment attractiveness of Russia are formed, inter alia, by creating the image and reputation of the country's territorial units. It shall be noted that a favorable image alone is not enough to improve the position of any territory, both economically and politically. Therefore, in the development of territorial units, special attention is paid to their positioning, since it is this that reflects the unique features and creates a certain image that attracts entrepreneurs, workers, residents and tourists.

The purpose of the study is to determine the possibilities of ensuring sustainable development of territories on the basis of an analysis of the spheres of industrial development, investment attractiveness, demographic indicators of regional development, using the example of Volgograd and the Volgograd region.

Study objectives:

- To determine the main indicators reflecting the economic efficiency of activities;
- to analyze the level of development of the spheres of life of the region's society, identify strengths and weaknesses;
- to suggest activities for sustainable regional development.

The theoretical significance of the study is reflected in the results obtained by the authors in the process of solving the problems of the study, which include the analysis of the spheres of life in the region and measures to improve them.

The practical significance of the offered study is reflected in the economic efficiency of events and activities necessary for the sustainable development of the region.

The scientific novelty of the conducted study lies in the identification of activities that will lead to sustainable regional development.

The theoretical and methodological basis of the study are: scientific works of D.S. Khairullov. [12]., V.N. Kabanov [6], D.A. Gainanova, G.F. Biglova, A.G. Ataeva [7], E.V. Belikova [3], E.V. Mikhailova [4].

The key problems in the economic development of Russian territories are the low level of infrastructure development, the unstable position of housing stock, low employment of the population, as well as a number of environmental problems. These issues are resolved through the development and promotion of territories. One of the tools designed to solve current problems is event marketing, the essence of which is to create and maintain the image and reputation of the territory for a long time through the organization of special events.

If we consider the analysis of event marketing in the context of territorial marketing, then an assessment of effectiveness is necessary in order to achieve the following goals:

- determine the degree of benefits received after the event from an economic point of view;
- assess the level of relationships between the event and the participants in the event;
- to reveal the degree of influence of the event on the social position of society within the territory [4].

Economic performance indicators are based on absolute indicators of sales growth in a certain territory, concluded contracts and profit in monetary terms based on the results of the event. In general terms, economic efficiency is the ratio of the costs of holding an event and the profit received in the process after the event. However, within the framework of the event marketing of the territory, it is necessary to take into account some error, since the activity to promote the territory is not limited to events alone.

The main indicator reflecting the economic efficiency of an event and activities is Return on Investment (ROI) – the rate of return on investments in an event. ROI is calculated using the following formula:

$$\text{ROI} = (\text{Total Return on Investment} - \text{Costs}) \div \text{Costs} \times 100\% \quad (1)$$

This indicator, expressed as a percentage, reflects the profitability or unprofitableness of investments in a particular event. The calculation of the ROI coefficient of the event also depends on the goals of the event and their achievement [5]. For example, if one of the goals of the event was to increase the sales of apartments in a residential complex in a certain area, then the indicator will be calculated depending on the volume of financial investments in organizing the event and the number of

sales of apartments in this residential complex after the event.

The optimal ROI value is considered to be more than 100 %, and if the coefficient is 200 % or more, then the efficiency of the event can be called high.

The calculation of economic indicators becomes an ambiguous process if at the stage of planning an event, communicative goals are put in priority. To calculate the effectiveness of measures aimed at achieving a psychological effect, there are a number of ways to assess communicative effectiveness. It is carried out in order to identify the level of impact of the event on the target audience, namely to identify the degree of achievement of goals, to convey the general meaning of the event to potential residents and local residents of the territory, to determine the degree of psychological impact on the target audience as a whole [6].

In order to more accurately assess the effectiveness, it is necessary to process both economic indicators and the communicative results of the analysis of the event in the aggregate. However, when speaking about assessing the effectiveness of event marketing in the framework of territory promotion, it is customary to highlight social effectiveness. Under this concept, it is customary to consider the possibility of achieving positive, as well as avoiding negative from a social point of view, changes in any of the spheres of people's life in a certain territory. Among the positive factors, the achievement of which can be influenced by the event marketing of the territory, include the following:

- providing residents with an adequate standard of living (favorable and safe living conditions, availability of jobs, accessibility of government institutions such as kindergartens, schools, health care, social security, etc.);
- availability of self-realization for residents of the territory (construction of cultural institutions, additional places of education, sports and entertainment centers, etc.);
- a certain degree of freedom and independence (the ability to choose one or another social institution, place of work, place of pastime, etc.);
- favorable socio-psychological climate in the territory (opportunity for communication between residents, potential residents, business communities and local authorities) [4].

It is quite difficult to determine social performance, but it is possible to track some trends using all kinds of surveys and testing of residents and potential residents, monitoring value judgments through social platforms, identifying the relationships between the event and actions taken by local authorities, business communities, after the event and etc. The main feature of social efficiency is the moment that it is considered from the point of view of local authorities and the public as a

whole, and also has a long-term effect, therefore it cannot be unequivocally stated that the organization of only one event to promote the territory can affect the achievement of positive social changes within the territory.

Three types of indicators are closely related to each other, since economic efficiency reflects the commercial side, without which the development of the territory as a whole is impossible, and communicative and social efficiency are associated, first of all, with the human factor. Improving economic performance over the long term is impossible without raising social and communicative performance indicators. A competent system for assessing the effectiveness of an event is, first of all, a tool for correlating the planned and actually achieved strategic goals set at the stage of planning the advancement of the territory. This system allows to highlight the strengths and weaknesses of development and correct them in development of further marketing activities to promote a particular territory [7].

The development of the economy provides employment and incomes for the population, generates revenues to the budget of Volgograd, affects urban planning activities, and satisfies the needs of society in a variety of goods, works and services. Without successful economic development, it is impossible to achieve an improvement in the quality of life of the population and a favorable urban environment. The development of residential areas and new housing construction with the provision of comfortable living conditions and high-quality housing and communal services is one of the priority tasks affecting the quality of life of the population.

The central link in achieving the strategic goal of economic development is the creation of an environment for attracting investment and innovation to the Volgograd

economy. In this area, a number of features stand out at the present time:

To achieve this goal, a set of measures is necessary, including the formation of a favorable business climate, reduction of administrative barriers in the provision of services, promotion of a positive image of Volgograd in target groups, stimulation of innovative activity, support of newly created and developing investment projects, development of regional industrial and technological parks in the territory of Volgograd. A special role will be played by the actively developing start-up industry, which is forming around the university centers of Volgograd and ensuring the growth of production of science-intensive products, the development of real cooperation between science and business, the attraction of young people to innovative entrepreneurship, and:

1) formation of a list of investment-attractive sites for investors based on the annual audit of the territory and investment zoning [8];

2) creating conditions for investing in innovative developments with the further introduction of these developments in the sphere of urban economy, including stimulating the introduction of energy efficiency technologies;

3) introduction of an investment standard for the activities of local self-government bodies in Volgograd, including:

improving the infrastructure and mechanisms of municipal support for investment and innovation activities - territories with a special mode for carrying out entrepreneurial activities (technoparks, industrial parks);

ensuring the availability and quality of the provision of municipal services in the field of investment and construction activities;

<p>Strengths</p> <ul style="list-style-type: none"> • Availability of a comprehensive legal and regulatory framework governing investment activities in the territory of Volgograd. • An increase in the number of state programs of the Russian Federation and the Volgograd region, wherein Volgograd takes part. • Relative distance from conflict points and risky investment areas. • Diversified structure of the industry. • High scientific and educational potential of Volgograd. 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Inadequate use of the entire range of government support measures. • Lack of stability in raising funds from higher budgets. • Lack of a systematic approach to organization of investment sites, provided with the necessary engineering infrastructure. • Weak transport infrastructure. • Lack of investment for large urban projects in the social and economic spheres.
<p>Possibilities</p> <ul style="list-style-type: none"> • Significant capacity of the domestic market. • Growth of investment activity in the basic industries of Volgograd and the development of infrastructure in Volgograd. • Development of municipal-private partnership (hereinafter referred to as the MPP). Intensification of investment activity by attracting funds from higher budgets. 	<p>Threats</p> <ul style="list-style-type: none"> • Deficit of stability in the inflow of foreign investment. • Concentration of the main industrial complexes of Volgograd in the territories of particular importance for urban-planning value. • Intensification of competition for investment resources from the cities of the South of Russia, the Lower Volga region.

Figure 1 Investment SWOT Analysis [1].

<p>Strengths</p> <ul style="list-style-type: none"> • Diversified sectoral structure of the industrial complex of Volgograd (more than 55 % of industrial enterprises of the Volgograd region are located in the territory of Volgograd). • Developed scientific and educational complex, high innovative potential. • The availability of energy resources in the territorial plan. • The presence of deposits of minerals, oil and gas, mineral raw materials (the share of the production volume of the processing sector of Volgograd in the total production of the Volgograd region is 84 % (in 2015)). • Established foreign economic relations. 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Dominance of raw materials industries in the structure of Volgograd's industry (the share of mechanical engineering over the past 10 years has decreased by 5 times). • Low technological level of most industries (in 2015, the index of industrial production in Volgograd amounted to 101.9 % against the level of 2014). • Reduction in the number of employees at large and medium-sized industrial enterprises in Volgograd. • Lack of marketing information and underdeveloped information infrastructure. • Lack of demand for research and development of Volgograd scientists from enterprises.
<p>Possibilities</p> <ul style="list-style-type: none"> • Implementation of programs of modernization and restructuring of production by the leading industrial enterprises of Volgograd. • Prospects for formation and deepening of cooperation with the scientific and educational complex. • Maintaining a favorable external environment and an increase in domestic demand for the products of enterprises for the production of petroleum products, metallurgical and chemical industries. 	<p>Threats</p> <ul style="list-style-type: none"> • High depreciation of fixed assets. • Underdevelopment of industries based on critical technologies. • Increased competition from foreign substitute goods. • High tax burden on business. • Low motivation of school and university graduates to choose blue-collar and engineering professions. • Changes in the conjuncture of the world market for basic industrial sectors.

Figure 2 Industry SWOT Analysis [1].

implementation of MPP mechanisms in the territory of Volgograd;

assistance in the implementation (support) of investment projects in the territory of Volgograd, including in the housing sector;

4) creation, together with universities and research institutes, of an integrated system for supporting innovation activity and commercialization of innovations;

5) activation of investment activity by attracting funds from higher budgets within the framework of Volgograd's participation in the implementation of state and federal programs and non-program activities;

6) development and implementation of the program for positioning and promoting Volgograd on the federal and international investment markets.

In the long term, industry plays a decisive role in the development of Volgograd, therefore, the innovative vector of development does not imply a cardinal change in the specialization of the urban economy, but stimulation of the use of new technologies in already existing industrial sectors, the development of cooperation between SMEs and big business. Let's define the strengths and weaknesses of this area.

Considering the current structure of the Volgograd economy, it is preferable to place a special emphasis on unlocking the potential of a number of the most promising sectors of the economy through cluster development mechanisms – the development of cooperative ties between SMEs and big business. The most promising industries for cluster development in Volgograd may be the already established production sectors: chemistry, petrochemistry, metallurgy,

construction, as well as such industries as transport and logistics and agro-industrial one.

Implementation of the cluster policy will significantly increase production and innovation activity and strengthen cooperation ties between leading industrial enterprises and small and medium-sized manufacturing businesses, and expand sales markets for products of local manufacturers. It is this approach that is consistent with the main directions of regional industrial policy.

To achieve the set task, it is necessary to create the following conditions:

- zoning of urban areas and the formation of investment sites;
- integration of SMEs into the industrial sector, including with large manufacturing businesses;
- development of intracity and regional cooperation;
- development and implementation of programs for the creation and development of industrial parks;
- development of an agro-industrial cluster that maximizes the potential of local producers, processors, educational and research organizations, transport and logistics capabilities of the territory;
- development and publication of an annual renewable plan for creation of infrastructure facilities necessary for investors;
- creation of conditions for participation of investment projects in state programs of the Russian Federation and the Volgograd region;

- development of the industry for collection, removal, processing of solid household waste using "green technologies";
- assistance in the training of qualified personnel in high-tech and innovative fields, as well as stimulation of labor migration to work in high-tech and innovative production;
- development of a program to stimulate, support and promote innovative industries and technologies, taking into account the criteria for achieving environmental protection goals.

The objective potential of Volgograd is its favorable geographical position and diversified transport complex (railway, airport, roads, river transport). The most promising are the creation of new and reconstruction of existing transport and logistics centers and complexes, as well as the balanced development of transport and logistics services. Development of the transport and logistics sector shall ensure the attraction of additional cargo and passenger traffic, the development of services in the field of transport and logistics, the formation of a modern multimodal complex that functions as a single transport and logistics system.

Man is the main subject and productive force of the economy [9]. The level of economic development, creative, cultural and civic activity of the population depends on human capital. Investing in the development of human capital through the development of the spheres of culture, education, sports and physical culture, youth policy is not an application to the process of economic growth, but its basis and integral part. There is a close relationship between all these areas, which ensures the high quality of human capital and is the basis for the development of the economy. Let's define the strengths and weaknesses of this area.

To create the necessary conditions for development, the following is required:

- strengthening the health of the population of Volgograd, reducing mortality and increasing life expectancy of the population of Volgograd;
- stimulating the birth rate and all-round development of the family (including social support for families with children), popularizing family values;
- improving the living standards of the population of Volgograd, assistance in ensuring employment of able-bodied citizens, increasing family incomes and social guarantees established by law;
- regulation of migration processes by attracting a predominantly qualified workforce (possibly subject to the development of high-tech industries and labor-saving technologies);
- social adaptation of older people and the formation of comfortable conditions for their residence in Volgograd, the creation of conditions for the availability of priority social facilities for people with disabilities and other low-mobility groups of the population.

Development of physical culture and mass sports influences many parameters of the socio-economic situation of the city, is the most important factor in improving the health of the population, attracting children and youth to a healthy lifestyle. Infrastructure in this area is the most important component that ensures the development of mass sports, as well as sports of the highest achievements and, in general, seriously affects the quality of the urban environment.

Cultural development is a basic element of city-wide identity, the most important factor in formation of attitudes towards the city on the part of citizens and guests of the city, the preservation of a single cultural space and cultural and historical heritage and the development of cultural institutions of the city. Among the main problems in the field of culture, it is worth

<p>Strengths</p> <ul style="list-style-type: none"> • Volgograd is one of the largest healthcare centers in the Southern Federal District. • A well-developed network of medical preventive institutions (hereinafter referred to as the MPI) of various organizational and legal forms. • The existing system of scientific and practical interaction between the MPI and medical education institutions of higher and middle level. 	<p>Weaknesses</p> <ul style="list-style-type: none"> • The problem of expanding the network of the MPI, institutions for rehabilitation and the low investment attractiveness of the industry. • Low level of service in medical institutions (low assessments of the dynamics of the quality of services by the population: the share of respondents who noted a significant or insignificant deterioration is 29.3 %).
<p>Possibilities</p> <ul style="list-style-type: none"> • Introduction of modern methods of diagnosis and treatment. • Development of the information base of the MPIs, insurance companies, the Federal Compulsory Medical Insurance Funds. • Implementation of mechanisms of public-private partnership (hereinafter referred to as the PPP). • Widespread use of social advertising means, educational and educational programs, public actions among young people to combat addictions. 	<p>Threats</p> <ul style="list-style-type: none"> • Deterioration of the dynamics of the main demographic indicators (aging of the population, decrease in the number of women of reproductive age, and etc.). • Deteriorating health indicators of the population. • Reducing the availability of medical care due to the remoteness of places of compact residence of residents. • Low rates of capital construction of health care institutions. • High level of deterioration of buildings of medical institutions and low level of service. • Low wages of employees. Widespread consumer attitudes towards their health and bad habits in society.

Figure 3 SWOT-analysis of the sphere of demographic development [1].

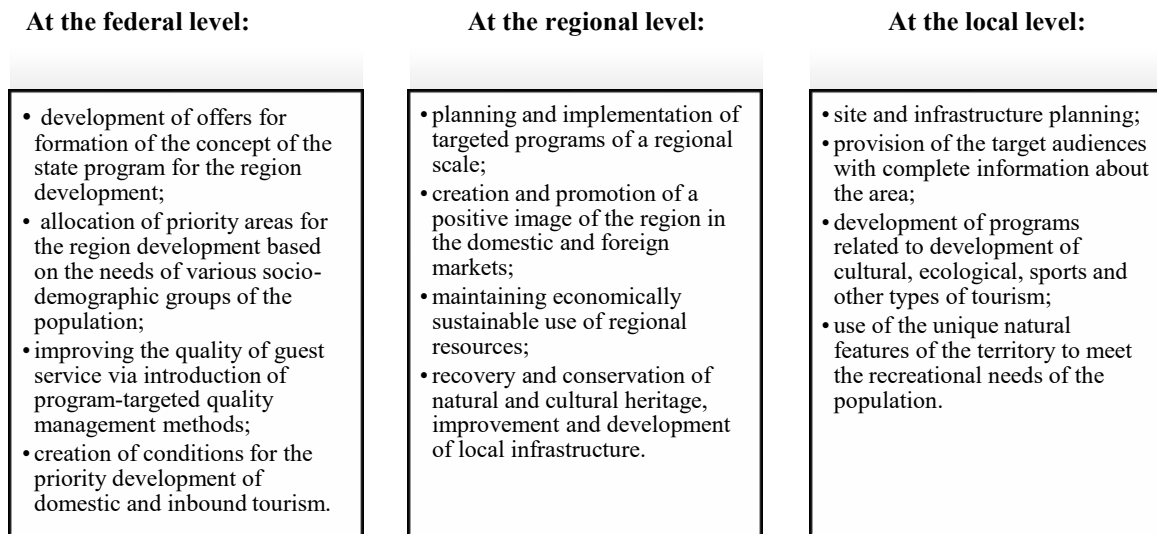


Figure 4 Necessary measures for sustainable development of the region

highlighting the lack of funding for the development of cultural heritage and the low cultural activity of city residents.

The key role in the formation of human capital is assigned to the development of youth policy. Self-realization of youth, the development of its potential shall combine both the interests of a particular young person and be aimed at the socio-economic and cultural development of the city. As the main means of developing the potential of young people, its wide involvement in the socio-economic, socio-political and cultural life of Volgograd and Russia as a whole is considered.

2. CONCLUSION

Therefore, the solution of priority tasks for sustainable regional development depends on a number of factors and, above all, on the activities carried out in all branches of government. Let's define the most significant:

It shall be borne in mind that only through involvement of citizens and business representatives in this activity, it is possible to create more comfortable living conditions in the city as a result. In addition, knowledge of development prospects strengthens self-confidence, forms respect and trust of city residents to current activities and to the future associated with a sense of security and confidence [10]. It is worth starting work on the concept of positioning the city by doing the following:

- involvement of citizens in the discussion process, attracting their interested participation in real projects that change the city, which can be implemented within the framework of competitions, grants;

- positioning and promotion of the territory, creating conditions for attracting funds;
- active and public discussion [11].

One of the main tasks at the initial stage is to identify the unique features of a city or region and to generalize them. The necessary development of the territory is possible on the basis of regional identity and common cultural and sometimes ethnic values, diverse resources, a set of information and advertising activities that promote it. Regional development opportunities shall be formed purposefully, considering the strategic plan, the mission of the region, since the brand is a tool for their implementation.

REFERENCES

- [1] The strategy of social and economic development of Volgograd until 2030 from 53 (1539). <http://www.volgadmin.ru/>.
- [2] E. V. Belikova. Instruments for monitoring the financial security of the population. In: Business. Education. Right., 1 (2021) pp. 198-203.
- [3] E. V. Belikova, E. Yu. Chernyavskaya, L. V. Shamrai-Kurbatova, Regional features of the social and economic development of the Volgograd region in the context of a pandemic. In: Economics, Entrepreneurship and Law, 11(3) (2021). DOI: <https://www.doi.org/10.18334/epp.11.3.111631>.
- [4] E. V. Belikova, E. Yu. Chernyavskaya, L. V. Shamray-Kurbatova, Improving the mechanism of public-private partnership for increasing the population life quality in the region. In: Proceedings of the 1st International Scientific Conference "Modern Management Trends and the Digital

Economy: from Regional Development to Global Economic Growth" (MTDE 2019) (2019). DOI: <https://10.2991/mtde-19.2019.47>.

- [5] M. V. Ledeneva, Key problems in the management of the social policy of the region (on the materials of the Volgograd region). In: Management of the development of large-scale systems MLSD'2019: Proceedings of the twelfth international conference Scientific electronic edition, Institute of Management Problems (2019) pp. 1246-1248. DOI: <https://www.doi.org/10.25728/mlsd.2019.1.1246>.
- [6] E. V. Mikhaylova, O. N. Izyumova, I. A. Chusov, Settlement System of Rural Areas: Trends and Spatial Aspects of Development. In: Russia and the European Union. Contributions to Economics. Springer, Cham (2017). DOI: https://doi.org/10.1007/978-3-319-55257-6_3.
- [7] V. N. Kabanov, Territorial planning and Zipf's law. In: Economic and Social Changes: Facts, Trends, Forecast, 12(2) (2019) pp. 103-114. DOI: <https://www.doi.org/10.15838/esc.2019.2.62.6>.
- [8] L. V. Shamrai-Kurbatova, Cluster analysis of the subjects of the Russian Federation by the level of innovation activity. In: Business. Education. Right., 1(54) (2021) pp. 88-97. DOI: <https://www.doi.org/10.25683/VOLBI.2021.54.174>
- [9] L. V. Shamrai-Kurbatova, Problems and prospects for the development of educational startups in the Volgograd region. In: Business. Education. Right., 4(53) (2020) pp. 108-115. DOI: <https://www.doi.org/10.25683/VOLBI.2020.53.482>