



Development Strategy of Service Sector in Conditions of Federal States Entities Autonomy Increasing

Irina V. Terentyeva^{1*}, Irina V. Mukhomorova², Olga N. Perezhogina³, Natalya B. Pugacheva⁴, Alexander N. Lunev⁵, Guliya N. Akhmetzyanova⁶, Vladimir V. Lezhnin⁷, Rezeda R. Gainullina⁸

¹Kazan (Volga Region) Federal University, Kazan, Russia, ²Moscow (Senkevich) State Institute for Tourism Industry, Moscow, Russia, ³Moscow State Institute for Tourism Industry Named after Y. Senkevich, Moscow, Russia, ⁴Volga Region State Academy of Physical Culture, Sport and Tourism, Kazan, Russia, ⁵Kazan State University of Architecture and Engineering, Kazan, Russia, ⁶Kazan National Research Technical University Named after A. N. Tupolev - KAI, Kazan, Russia, ⁷Kazan (Volga Region) Federal University, Kazan, Russia, ⁸Volga State University of Technology, Yoshkar-Ola, Russia, *Email: natalya-pugacheva@yandex.ru

ABSTRACT

The relevance of the study is caused by the necessity to develop the sphere of services as a component of balanced socio-economic development of Federal State's territories. The purpose of the paper is to define strategies for the development of services in conditions of increasing independence of the Federal State's entities. A leading approach is the institutional one that considers the strategy of development of service sector in the Federal State as long-term programs of transition to innovative socially oriented type of economic development, reducing interregional differentiation in the level and quality of life of the population, creating equal opportunities for citizens and promoting human development. In the conditions of Federal State entities' autonomy increasing the strategy of development in the sphere of services consists of citizens' life conditions and social environment' quality improving; accelerated development of human potential; competitiveness improving of human and ensuring it economic social sectors' capital; development of competitive service markets; improving of the efficiency of politico-legal institutions providing social services to the population. Strategies' defining for the development of services in the conditions of Federal State entities' autonomy increasing is based on the principles of subsidiarity, sustainability, selectivity, fractals and transvers. Certain strategies of development of services are aimed at reducing territorial socio-economic differentiation to the level, caused by objective differences of the Federation's entities, as well as ensuring the balance of the revenue base and expenditure commitments.

Keywords: Socio-economic Development, Inter-territorial Differentiation, Economic Strategy, Management

JEL Classifications: H53, H83, O35

1. INTRODUCTION

1.1. The Relevance of the Study

The service sector is one of the targets of the balanced socio-economic development of entities of the Federal State, aimed at reducing of the level of interregional differentiation in the life quality (Lunev et al., 2014a).

It is found that under the balanced territorial development of Federal State is understood the focus on creating the conditions that allow each entity have the necessary and sufficient resources

to ensure worthy living conditions for citizens, integrated development and competitiveness improvement of the regional economy (Kolomiychenko and Rohchin 2003; Gumerov et al., 2016a, 2016b; Malysheva et al., 2016). This leads, firstly, to comprehensiveness and sustainability enhancement of socio-economic development of the Federation's entities, and secondly, to the integration of the commitments of federal, regional and municipal authorities and their financial capabilities of environment and sector development in order to reduce the level of inter-territorial differentiation in life quality (Kuznetsova, 2009). The service sector is not only one of the indicators of

socio-economic policy of a Federal State, but one of the most dynamic and fastest growing market segments. It is found that the increase in profitability of the assets of services with simultaneous risk diversification will ensure the development of regional services markets, satisfying the needs of the population for social benefits and improving of life quality (Lunev et al., 2014b). Strategies' defining for the services' sphere development in the conditions of Federal State's entities autonomy increasing will provide interconnection of regional economic policy with developed at the entities' level the long-term development programs in order to reduce regional disparities in the standards and quality of life of the population, and will allow keep the trend of sustainable socio-economic development of the country (Lexin and Shvetsov, 2004). The purpose of this paper is to define strategies for the development of services sphere in conditions of Federal States' entities autonomy increase.

1.2. The Essence of Strategies Development in the Sphere of Services

It was found that economic strategy can be described as: (1) Quantitatively defined long-term direction of the object's development; (2) the specific long-term plan to achieve specific long-term objectives; (3) program development of existing or appearing of new production facilities, commercial facilities, financial technologies; (4) a detailed concept for the resources' use to achieve goals; (5) long-term program of conditions' organization for development and the emergence of economic entities and business entities of any class.

It is established that the strategies of development in the sphere of services are long-term programs of institutional reforms in the sphere of services, based on the priorities, goals and objectives of state socio-economic policy and aimed at formation of favorable innovation and investment climate.

In conditions of Federal State's entities autonomy increasing the development strategies in the sphere of services are long-term programs of systematic and structural transformation of the territories, providing their integrated development and competitiveness improvement, the sustainability of the revenue base and expenditure commitments, as well as the reduction of territorial socio-economic differentiation to the level, resulting from objective differences of the Federations' entities.

2. MATERIALS AND METHODS

2.1. Methodological Approaches to the Study

A leading approach is the institutional approach that considers strategies development in service sector in the Federal State as a long-term program of transition to innovative socially oriented type of economic development, ensuring the reducing of interregional differentiation in the level and quality of life of the population, creation of equal opportunities for citizens and contributing to human development.

2.2. Methods of the Study

During research the following methods were used: Analysis of normative documents, content analysis, foresight, systematization

and generalization of facts and concepts, modeling, method of expert assessments.

2.3. Approbation of the Study Results

Approbation of the study results was carried out during the development process of the concept of long term socio-economic development of the Republic of Tatarstan, Russia until 2020. The strategies identified were implemented in the programs of development of enterprises and organizations of touristic, educational sectors and the sector of consumer services.

2.4. Stages of the Study

The study was carried out in three stages:

- In the first stage the modern state of study problem in economic theory and practice was analyzed.
- In the second stage the development strategies of services sphere in conditions of Federal States' entities autonomy increasing were determined and approved.
- In the third stage, the systematization, interpretation and synthesis of the research results was carried out; theoretical conclusions were refined; processing and registration of the study results was performed.

3. RESULTS

The main result of the study was to determine strategies for the development of services' sphere in the conditions of Federal State's entities autonomy increasing (improvement of living conditions of citizens and the quality of the social environment; accelerated human development; improving of the competitiveness of human capital and ensuring it social sectors of the economy; development of competitive service markets; improving of the efficiency of politico-legal institutions providing social services to the population) on the basis of the principles of subsidiarity, sustainability, selectivity, fractals, the transverse.

3.1. The Essence of the Principles of Subsidiarity, Sustainability, Selectivity, Fractals, the Transverse

It is established that the identification of strategies for services' development in the conditions of Federal State's entities autonomy increasing is based on the principles of subsidiarity, sustainability, selectivity, fractals and transverse.

The principle of subsidiarity defines the criteria for delimitation of jurisdictional subjects and powers between the Federation and its entities and allows the latter in the specific historical conditions effectively to solve tasks on ensuring the overall development and competitiveness improvement of regional economies, as well as of a statutory minimum level of citizens' life.

The principle of sustainability provides for state regulation of the interregional differentiation's reduction in the level and quality of life through specially developed policy measures of a systemic nature.

The principle of selectivity is aimed at improving of the efficiency of the electoral impact of the state on creation in entities of the conditions for strengthening the independence of the territories

to ensure quality of the social environment; increasing the competitiveness of human capital and ensuring it social sectors of the economy; development of markets for services.

Fractal principle leads to coordination of infrastructure investments into the services sphere, taking into account the development priorities and resource constraints.

The principle of transverse ensures integration of traditions and innovations in the development process of the service sector to overcome infrastructure and institutional constraints, to create equal opportunities for citizens and promote human potential development, to conduct purposeful work on development of Federal relations, and as well as reform public administration and local self-government.

It is found that the combination of these principles leads to the strategies' definition of services' sphere development in conditions of Federal State's entities autonomy increasing aimed at creating of balanced socio-oriented regional economic environments, as a system of continuously developing economic relations, aimed at ensuring of worthy living conditions of citizens, comprehensive development and enhancement of competitiveness of the regional economy.

3.2. Improving the Lives Conditions of Citizens and the Quality of the Social Environment

Improving of citizens' lives and the quality of the social environment provides for the organization of the following conditions:

- Overcoming of negative demographic trends, the stabilization of population's quantity and creation of conditions for its growth, quality's improving of the population's lives.
- Providing of the population with affordable and quality housing, creation of a comfortable urban environment and effective housing and communal services for humans, the formation of a flexible system of population settlement that takes into account the variety of regional and national ways of life.
- Modernization of housing and communal services and ensuring of costs' availability of housing use and payment of utility services for the population through the development of competition in the housing management and its maintenance, attraction of private businesses' entities to manage and invest in housing and communal infrastructure, improving of the tariff policy and development of mechanisms of state-private partnership in the provision of public services sphere.
- Creation of effective, targeted support system of persons belonging to the category of the poor ones, and providing of social services for old people, the disabled persons and children.
- Creation of economic conditions for the preservation and multiplication of cultural and spiritual values of the citizens.
- Improving of the environmental quality and ecological conditions of human life.
- Reducing of crimes' level.
- Implementation of large-scale projects on development of transport networks, improvement of the quality and reducing

of the cost on transport services for citizens and business.

- Formation of a system ensuring accessibility of medical aid and improvement of medical services' efficiency, amounts, types and quality of which should correspond to the level of morbidity and needs of the population, advanced medical science achievements.
- Creating of conditions to improve the quality and diversity of services provided in the sphere of culture.

3.3. The Accelerated Development of Human Potential

The accelerated development of human potential involves the organization of the following conditions as:

- Ensuring of the access to quality education and health care, access to national and world cultural values, security, law and order, favorable conditions for the realization of economic and social initiatives.
- Increasing of the flexibility and diversity of forms of service provision in pre-school education, and the creation of educational services' system, providing early development of children regardless of their place of residence, health status, social status.
- The development of the general educational system, providing individualization, focus on practical skills and fundamental knowledge, and expansion of further education.
- The transition from a system of mass education to a continuous individualized education for all, the development of education, based on the formation of creative socially responsible person.
- Ensuring of the quality and accessibility of services in the sphere of tourism, physical culture and sports.
- Normative-legal support of services' granting in sphere of physical culture and sports at the expense of budgetary funds by non-state organizations.
- Implementation of information policy in order to increase citizens' interest in physical culture and sports.
- Development of the system of mass physical training and sport competitions.
- Availability of cultural goods and services for people with disabilities.

3.4. Improving of the Competitiveness of Human Capital and Ensuring it Economical Social Sectors

Improving of human capital's competitiveness and ensuring it social sectors of the economy provides the organization of the following conditions:

- Sustainable wage increases corresponding to the growth rate of labor productivity and the workforce's quality.
- The formation of effective mechanisms of the labor market's regulation, providing a combination of competition in the labor market with partnerships of employees, employers and the state.
- The increasing dependence of the pension on the wages, the development of voluntary pension savings to a level that ensures a worthy life for pensioners.
- Ensuring of high professional and territorial mobility of labor resources and formation of professional culture, value orientations in employment sphere and business activities.
- Creating a consumers' support system of continuing

professional education's services, support of corporate curricula of professional personnel's training and retraining.

- The creation of a support system for organizations, providing quality services of continuing professional education.
- The development of mechanisms for assessing the quality and relevance of educational services with participation of consumers, participation in international comparative studies.

3.5. Development of Competitive Service Markets

Development of competitive service markets is possible due to:

- Stimulating of corporate social responsibility, participation of non-governmental institutions in the development and implementation of social policy.
- Development of a standardization system of quality services.
- The availability of education and health services of the required quality, the required level of housing, access to cultural goods and environmental safety.
- Transition of the minimum wage to the level of the subsistence minimum, implementation of new systems of payment for workers of public (budgetary) institutions focused on improving of the efficiency and quality of services provided and taking into account the complexity and volume of performed work.
- Structural and technological modernization of the health, education and other social sectors, providing access to quality social services for the population.
- Building of the foundations of a modern industry of tourism and recreational services, and its competitiveness enhancement in the international market.
- Ensuring of equal availability conditions of non-governmental organizations providing quality educational services, of educational infrastructure and state and municipal financing.
- Overcoming of remaining imbalances caused by varying degrees of public services' provision in the sphere of culture in different entities of the Federation, the cities and the countryside.
- Creating of a competitive market for the provision of services to unemployed citizens and to citizens experiencing difficulties in job search, as well as employers in staff recruitment.

3.6. The Efficiency Improving of Politico-legal Institutions Providing Social Services to the Population

Efficiency improving of politico-legal institutions ensuring social services to the population provides for the organization of the following conditions:

- Development and implementation of anti-corruption measures.
- Adoption of a special program to ensure transparency of state and municipal governments, including a clear definition of mechanisms for citizens and businesses of full information obtaining about their decisions' making, as well as a thorough regulation of the authorities' activities.
- Development of mechanisms of interaction between the state, the public, business and civil society structures, institutions and mechanisms for public-private partnerships.
- The quality and availability improving of public and municipal services provided by the executive authorities and municipal authorities.

4. DISCUSSIONS

An important theoretical and practical significance for the research has the studies in the field of strategic planning of regional development by Kolomyichenko and Rohchin (2003), Kuznetsova (2009), Lexin and Shvetsov (2004), Lunev et al. (2014a). A special interest are the studies about the mechanisms of regional policy Shtulberg and Vvedensky (2000), Satarov (2004), Polynov (2010), Lunev et al. (2014b).

However, analysis of scientific papers shows that the problem of managing in the service sector is debatable. The special literature does not address the issue of strategies for development of services in conditions of Federal state's entities autonomy increasing.

5. CONCLUSION

It is established that the development strategies in the service sector in conditions of autonomy increasing of the Federal State's entities is aimed at: (1) Ensuring of the statutory minimum level of living for all citizens; (2) effective support of the entire population; (3) reduction in the level of interregional differentiation in the life quality; (4) balanced socio-economic development of the constituent entities of a Federal State; (5) harmonization of budget, monetary, structural, regional and social policy.

Paper submissions may be useful for the specialists of federal and regional authorities, local authorities, line ministries and scientists interested in the regional economy and management of services sector.

Taking into account the obtained results of the study a number of research challenges and promising directions can be identified that require further consideration: To identify and scientifically substantiate the principles of management of service industry's development; to develop the mechanism of state regulation of development in the sphere of services; to give the essential characteristic of a selective development policy of the service sphere; to reveal the institutional component of the service sector; to develop a technique to assess the quality and accessibility of public and municipal services.

6. RECOMMENDATIONS

The management efficiency of services sphere's development in conditions of the autonomy's increasing of the constituent entities of a Federal State will be enhanced by ensuring the convergence of living standards between the capital regions and the province, cities and towns, urban and rural populations.

Strategies' optimization of service sphere's development in conditions of the autonomy increasing of the constituent entities of a Federal State will be successful in case of Federal, regional target programs' creation and the mechanism of state and public control over their implementation providing.

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