

Determination of the Nature of the Participation of Non-profit Organizations in Strengthening Human Capital and Economic Space



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Abstract Based on the study, the authors propose methods for assessing the impact of non-profit organizations (NPOs) on the effectiveness of transport development management in the economic space of the region. The interdependence of the process of development of NCOs and the implementation of sustainable economic development of the region in the transport sector is proved. The indicators of impact assessment of the efficiency are the indicators of the assessment NCO's impact on the multi-vector management of economic space in the region and the quality of life. There were developed the methodological research tools of the assessment of the NCO's impact on the effectiveness of the administration of the region's economic space. The authors prove the usefulness of method, which logic substantiated by the clarifying of the socio-economic content of participation of the NCO in the efficient management through the concept trilateral cooperation as a system of relationships between subjects (government, business and NCO) the implementation of which is able to bring to each of the subjects some economic benefits. Also presented the sequence of the method's development of the assessment of the NCO's impact on the effectiveness of the administration of the region's economic space. The author's method is used a deterministic multiplicative factor model, based on the calculation of average geometrical value. The assessment of the participation of non-profit-making organizations in the development of the economic space of the region, first of all, based on the determination of effects of participation NCO in the in the management of economic space and their impact on the transport development of the territories.

Keywords Human capital · Transport sector · Transport organizations · Non-Profit organizations · Transport development of the region · Economic space

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1 Introduction

The study of the characteristics and conditions of the influence of non-profit organizations (NCO) on the results of the economic development of the region in the transport sector acquire a significant role during the development of program activities of sustainable regional development for the long term [1]. In the modern conditions the development of the regional economics, when the influence of factors is often aggressive and negative, which is accompanied by the stagnation of production, reduction in revenue part of the budgets of all the levels. Assessment of the participation of non-profit organizations in the effective management of economic space in the region is gaining practical value [2]. A new substantial burden on NCO within the increased attention to their activities on the part of public authorities, which is partially substantiated by the geopolitical turbulence, necessitates the theoretical and methodological rationale of the tools of the assessment of the NCO's influence on the effectiveness of the management of economic space of the region [3].

2 Materials and Methods

General methodological basis for the study were structural–functional, dialectical, synchronously-comparative, system analysis with the simulation of economic processes, monographic, indexed, grouping, groups, calculated and constructive methods. From the special methodological approaches were used sociological and synergistic, systematic approach in its subject, object, structural and functional aspects of multi-pronged NCO participation in the management of economic space of the region and the activity approach. The analysis methods were used during the scrutiny of the related and similar phenomena. The method of functional simulation is used in order to simulate an indicative assessment of the participation of NCO in the effective management of economic space. The application the methodology is characterized by the use of structural and process approaches as the scientific methods of knowledge formation process, implementation and organization of NCO participation in government in the management of economic space of the region. The information base for the study were the statistics in sphere of NCOs, Russian and foreign lawful, regulatory and methodological economic literature in NCO management, legal databases, legislative acts in Russian NCO, the information resources transport organizations [4–6].

3 Results and Discussions

A critical analysis of the literature on an investigated problem has led to the conclusion that the instruments, destined to assess the participation of NCOs in the effective management of economic space of the region, are represented by the limited number of methodologies and methodological approaches [7]. In the vast majority of methods, the authors are based on the regular intercommunication of civilian initiative through the development of the institutions of civil society, which is assessed by the activity and the government support of socially oriented non-profit organizations and the main indicators of socio-economic development of territories (Fig. 1).

Without rejecting the indicated correlation, it is expedient to use a method, in the development of the methodological tools of the research of the evaluating the effectiveness of NCOs influence on the management of economic space of the region, the logic of the development of this method is substantiated by the elaboration of socio-economic content of NCOs participation in effective management through the concept of actornyi, trilateral cooperation as a system of relations between the subjects (government, business, NCO). The realization of this system is able to bring each of the subjects of the results and benefits of economic, social and political character.

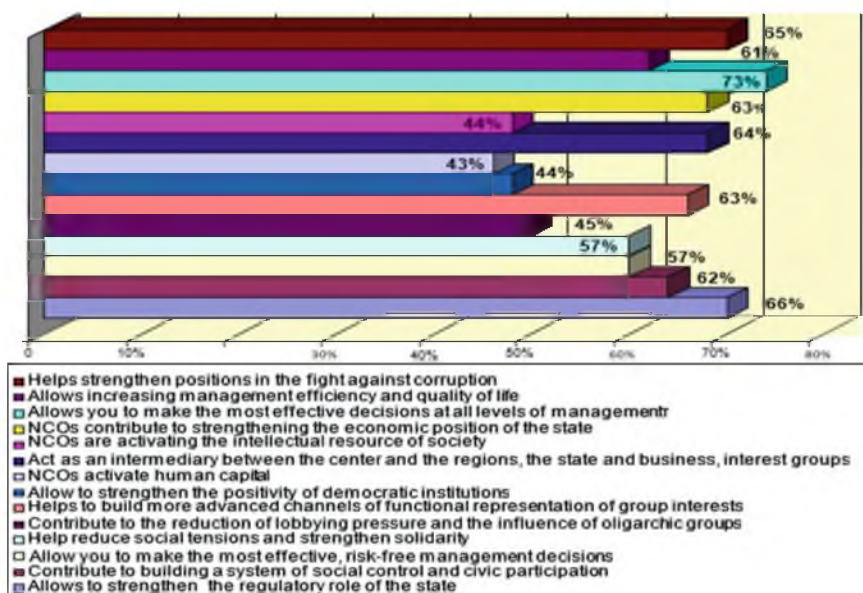


Fig. 1 The role and importance of non-profit organizations in the effective management of the economic space of the region (Source: results of the authors research “Quality of life of the population of the Central Cherozem Economic Region: social efficiency of management”, 2020)

The problematic field of research is the COVID-19 pandemic and the need for digital transformation of NGOs. The strategic purpose, is to make Russia's non-profit sector strong, independent, flexible and mobile through IT education (Fig. 2).

The development of the regional, economic territories determines the change in the degree and quality of interaction between non-profit organizations, the business community and public authorities, which is happening due to the "market" factors (in this case they are used as the objective reality) and due to the changes in regional conditions of development of productive forces and the relations, forming in the totality of industry segments. Assessment of the participation of non-profit organizations in the development of the region's economic space is based on the determination of the effects of NCO participation in the management of economic space and their impact on the development of the territories (the capacity to increase the generated by the gross domestic product, to ensure the dynamic improvement of quality of life, encourage labor migration; to expand social and economic space).

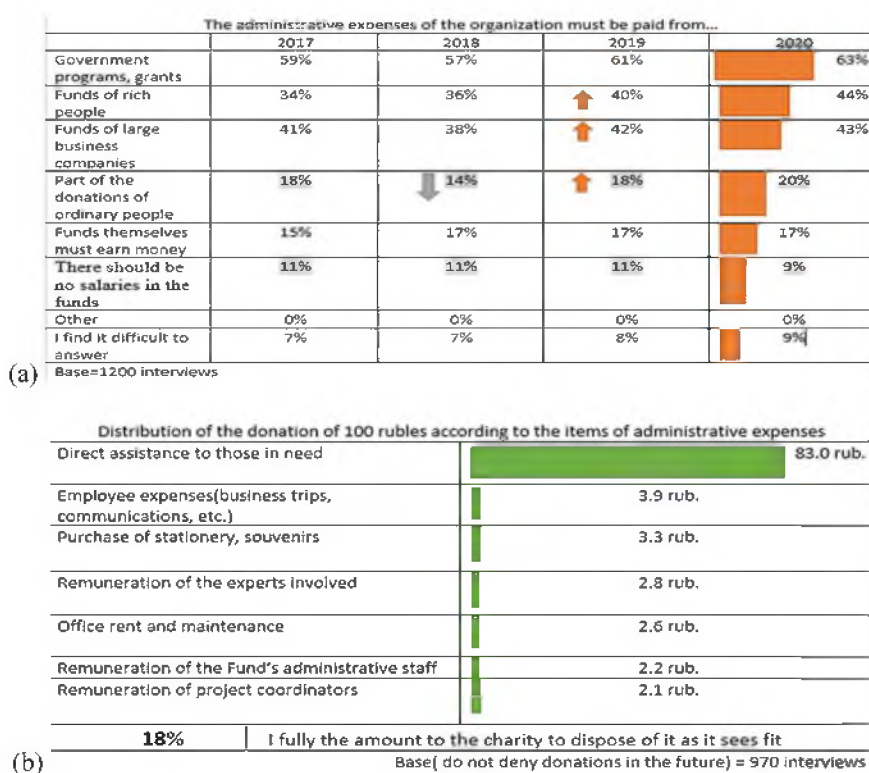


Fig. 2 Administrative expenses of NPO: (a) sources of expenditures, (b) sources of distribution of donations (Source: according to monitoring data of the charitable foundation "Need help", 2020 <https://nuzhnapomosh.ru/reports/>)

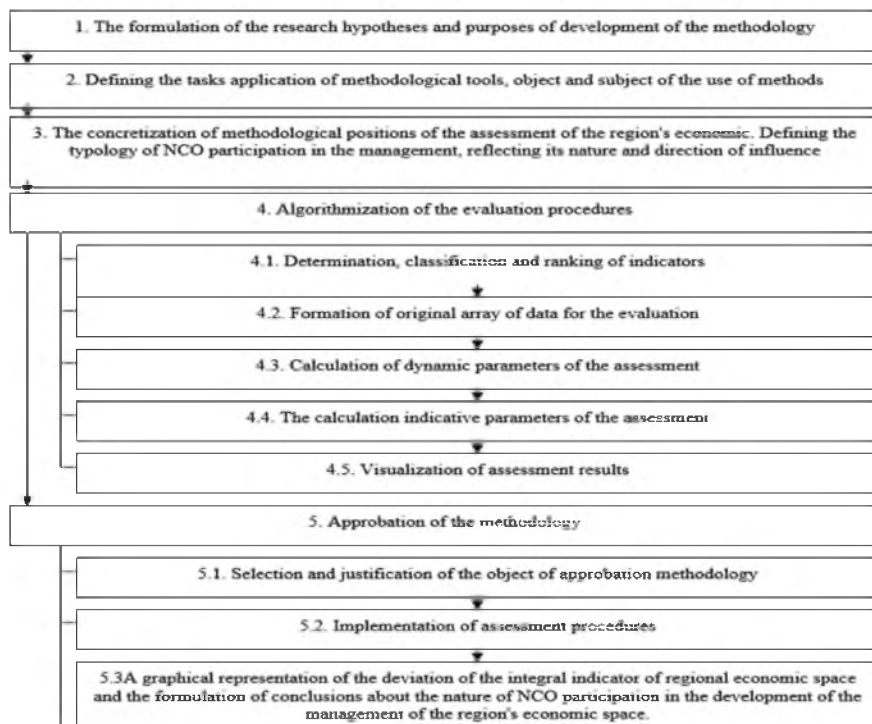


Fig. 3 The sequence of development and approbation assessment's methodology of the impact of NCO on the effective management of economic space in the region (Source: the table was compiled by the authors)

The sequence of the development and approbation methodology for assessing the impact of NCO on the effectiveness of management of the economic space of the region is described by the following scheme (Fig. 3).

The research hypothesis of the development methodology for assessing the impact of NCO on the effective management of economic space in the region is the regional business environment research, which changes, in particular, are associated with varying degrees of intensity of the influence of non-profit organizations at the regional business community.

Mechanism of NCOs influence on the effectiveness of management of economic space in the region is the ratio of joint business projects implemented with the participation of NCO to the total number of business initiatives, estimated in increase of created by the gross of regional product.

Hence, the task of developing a methodology consists of the creation of a tool to assess the balance of NCOs participation in the management of the development of economic space in the region, reflecting its nature and direction of influence. By purposive appointment of the proposed method, we define it's applied use in the practice of analytical studies of the effectiveness of management economic space in

the region, which requires the approbation of methods on the example of complex of regions with a relatively equal conditions for the amount of public financial support to of NCO, the amount of funds provided by SONCO in the framework of the Federal Law of April 5, 2013 № 44-FL “About contract system in the procurement of goods, works and services for Public and Municipal Needs” and the availability in the region of the non-commercial organizations—“resource centers”, providing educational and consulting services, methodological support to SONCO.

From our point of view, the subjects of the methodological usage can be regional institutions of executive power and the structure of public management of the Federal District, which functionality is to regulate selection of strategic priorities and directions for the development of institutional support for the implementation of state policy in the sphere of regulation of NGO activities [8–10].

The basic methodological principle for the development of methodology for assessing the impact of NCOs on the effectiveness of management economic space in the region defined by the principle of determinism, the essence of which comes to the statement and to the solution of economic problems in which their conditions are stated with certainty, without taking into account the uncertainties.

According to the statement of the research problem which was given above, the compliance of the requirements of certain conditions, ensured by the objective economic laws, it consists of the dependence of the regional business environment of the intensity of NCO influence on the regional business community. Development of regional business environment in this case presented as a determinant - a factor capable to have an impact on economic developments, relationships; a specific factor that generates and determines the phenomenon [2].

The results of evaluation of NCO influence on the effectiveness of management of economic space in the region must comply with the criteria of reliability and, as a result, measurable indicators must be used in the methodology to avoid the appearance of subjective factors.

Due to the existence of significant regional differences in the typology of NGO participation in the management, reflecting its nature and direction of the influence of non-profit organizations for regional economic space, the comparison of its absolute measurers a priori will be unrepresentative. This justifies the choice of indicators in their relative terms.

In our case, the index form of the submission of rates of the dynamics of development of the regional business environment, which have been estimated in the increase of the created in the gross regional product, is the preferable. It follows from the requirement to simplify settlement procedures, which is of great importance for the analytical practice.

Bringing the indicators of the method to a uniform manner of expression will provide to the right choice of deterministic model for the calculation of integral indicators of the dynamics of the NCO's influence on the effectiveness of management economic space in the region: additive, multiple, multiplicative, which adequately reflect the functional dependencies between the original indices.

In our author's technique should be used deterministic multiplicative factorial model based on the calculation of the geometric average:

$$EPR = \sqrt[n]{EPR \cdot X_i} = \sqrt[n]{X_{i1} * X_{i2} \dots * X_{in}} \quad (1)$$

where: X_{i1} , X_{i2} , X_{in} —are the particular assessment indicators in the group, on the directions of development of the regional assessment of the business sphere; n —the number of indices in the group.

Refinement of the methodological aspects of the assessment of the NCO's influence on the effectiveness of management of economic space in the region requires algorithmization of assessment procedures. As it was shown in Fig. 1, the authors primarily include in the composition of these procedures: 1) the choice and the substantiation of assessment indicators, 2) the formation of the original array of data for assessing; 3) calculation of dynamic parameters of the assessment; 4) the calculation of integrated indicators of the assessment; 5) visualization of the assessment results.

Since the information source for the formation of a baseline is defined the official statistical reporting of Rosstat, the authors consider it's legitimate to use the complex which contains basic indicators of NCO influence on the effectiveness of management of economic space (Table 1).

Indicators, given in the table have different units of measure, but this fact is not a barrier to their use in the construction of integrated indicators. In assessing the impact of NCO on the effectiveness of the management of the region's economic space, we suggest using an index form, which eliminates the influence of such factor as a "varied measurability" of indicators.

Table 1 The indices of evaluation of NCO influence on the effectiveness of management of economic space in the region

Direction of assessment	Evaluation indicators
Subsidies provided by SONCO (socially oriented non-profit organizations)	Subsidies provided by SONCO, also the subsidies provided by SONCO which were granted on a competitive basis
	The amount of funds, represented by SONCO within the framework of the Federal Law of April 5, 2013 № 44-FL "About contract system in the procurement of goods, works and services for state and municipal needs" (further - Law № 44-FL)
	The amount of funds, represented by SONCO within the framework of the Federal Law of December 28, 2013 № 442-FL "On the basis of social service of citizens in the Russian Federation" (further - Law № 442-FL)
Submitting of tax incentives by SONCO, in accordance with the decisions of the authorities of the Russian Federation	The size of the granted exemption on corporate profits to socially oriented non-profit organizations (in percentage points of the maximum rate)

(continued)

Table 1 (continued)

Direction of assessment	Evaluation indicators
	The number of socially oriented non-profit organizations that use exemption on corporate income tax
	Volume of decreased income of the Russian Federation budget by granting tax exemptions on profits of organizations to socially oriented non-profit organizations
	The size of the granted exemptions on the tax profits to legal persons that are carrying the donation for SONCO (in percentage points of the maximum rate)
	The number of legal entities that are carrying out donations to SONCO and applying the exemption for corporate income tax
	The amount of shortfall income of the Russian Federation budget in providing the tax exemptions on profits of organizations to the legal entities that are carrying the donation for SONCO
	The size of the granted exemptions for property tax to the legal entities, exercising donations to the non-profit organizations which are socially oriented (in percentage points of the maximum rate)
	The number of legal entities, carrying out donations to the socially oriented, non-profit organizations and applying the privilege for the property tax
	The amount of decreased income of the budget of the Russian Federation in providing exemptions for property tax to the legal entities, exercising donations to the socially oriented, non-profit organizations
	The size of the provided exemption for the transport tax to the non-profit organizations which are socially oriented (in percentage points of the maximum rate)
	The number of socially oriented non-profit organizations applying the transport tax exemption
	The amount of decreased income of the budget of the Russian Federation in providing benefits for the transport tax

(continued)

Table 1 (continued)

Direction of assessment	Evaluation indicators
	The size of the granted exemptions for organizations' property tax to the legal person, carrying the donations to the non-profit organizations which are socially oriented (in percentage points of the maximum rate)
	The number of legal entities, who apply the exemption to the property tax and carry out donations which are socially oriented to the non-profit organizations applying the privilege under the property tax
SONCO are the suppliers of social services	The number of applications of SONCO for inclusion in the register of social service providers
	The amount of SONCO in the register of social service providers
	The number of SONCO from the register of social service providers who have received the state order within the law № 442-FL

The applied nature of the proposed method, just like any other method, it requires a check for possible usage in the practice of analytical studies of the development of transport infrastructure.

4 Summary

The proposed directions, methodology, typology of participation of NCO in the management and the corresponding toolbox of the designation of the effects of NCOs participation in the management of the economic space will allow the interested subjects (government, business, etc.) to get the objective, independent assessment, to create analytical reports, which will contribute to the development of strategic directions to ensure the dynamic improvement of quality of life, improve cooperation between authorities and NCO, business and NCOs, the expansion of regional social and economic space in the transparent form.

The proposed methodological tools of the integrated assessment of NCOs participation in the effective management of economic segment in the transport sector will let to take into account social, economic and political nature influence and objectively apply the algorithm for estimating the areas on the level and nature of NCOs involvement in the management of economic space in the region.

The proposed device of the modeling of indicative assessment of NCOs participation in the effective management of economic space will allow to take into account

and establish a dynamic dependency of sustainable development of economic space on the density and the degree of aggressiveness of NCO interventions.

The offered algorithm of selection of strategic priorities and recommendations for the development of institutional support for the implementation of the regulation of NCO activities of the state policy will help to upbuild an algorithm of interconnected steps to non-corruptive stages:

Stage 1—the consistency between the strategic goals and the tasks of the NCOs development; Stage 2—the accounting of the economic effects of the NCO participation in the management of economic space of the region; Stage 3—the formation of economic mechanisms of qualitative involvement of NCO in the development of regional economic space; Stage 4—the coordination of national, regional and social interests on the development of economic space in the implementation of social and economic development strategy of the Belgorod region.

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