

# Comparative Researches On Strategic Priorities Of Russian Megalopolises And Global Cities

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**Abstract.** The article analyzes the comparative tools of methodology of global cities assessment, used in the world and Russian practice that allow conducting comparative research on life quality of world cities and trends in their strategic orientations. The authors studied the world's largest and most prestigious rankings of global cities – *GaWC*, *A.T. Kearney (Global city Index, Global city Outlook)*, *Mercer*, *Economist*, the purpose of rating, their target audience and the possibility of application, the main indicators and used methods of measurement, human development index of Russian regions, prepared by UN experts. According to the results of conjugate analysis of the index of human potential in Russian regions and the integrated indicator of life quality in Russian megalopolises, including indicators of urban environment comfort, the authors classified Russian megalopolises to allow estimating the level of their development, to identify priority trends to develop strategic orientations. The article presents the results of comparing targets of the development strategies of Russian megalopolises, indicators that identify inclusion of Russian megalopolises and foreign sister cities in the world rankings. On the example of St. Petersburg the authors compared targets of socio-economic development strategy of city and the key ranking indicators of world leading consulting company and illustrated the results in the article.

## 1. Introduction

In the competition with the world cities, the interest in comparison of certain indicators of life quality in Russian megalopolises is justified because it allows assessing the comfort level of living, identifying the degree of inequality in comparison with the world leading cities and cities-analogues, and forming a strategy for the city development based on updated targets and estimation indicators. As noted [1] "in recent years, interest in urban inequality has increased, but not in science, but in the media and consulting." The rise of a sufficiently large number of ratings of world cities, assessing their positions in general and on individual components, initiates an interest in the use of the world ratings tools in relation to Russian cities seeking to be included in these ratings. A number of authors doubt the reliability of the rating results [1], but the application of rating tools, widely used in the world, is justified. Despite the growing activity of using these tools to assess the success of the city and its involvement in the global competitiveness, there is need to study the theoretical and methodological knowledge of the nature of the world ratings tools. This approach involves the study of various



components of the rating, namely, the target audience, the system of indicators and methodology of the rating. Within this approach, the comparative studies are supposed to research the targets stated in the strategies of Russian megapolises, the human development index (hereinafter HDI), the integral indicator of the urban quality of life (UQOLI), the success of foreign cities which Russian megapolises carry out partnership and sister relations with.

## **2. Problem definition**

The system of ranking global cities is well developed. According to the research of John Land LaSalle [2], more than 200 different tools for the assessment of cities were used in 2015, and the number of ratings exceeds 100. Comparative analysis of world cities is carried out at the global, regional and national levels. Different institutions – authorities, consulting firms, public organizations, mediaholdings, etc. initiate ranking of the cities. And, of course, the result of ranking, depending on the goals of the initiator and obtained using expert methods, to some extent has the subjective estimates. Wide application of foreign instruments, methods and indicators of the most influential world ratings, such as A. T. Kearney, the Economist, GaWC, Monocle, Mercer, Eurobarometer [3, 4, 5, 6, 7, 8, 9] in the Russian practice of preparing socio-economic and spatial strategies for the development of global cities is difficult due to differences in views on the nature of individual socio-economic phenomena, differences in conceptual apparatus and monitoring systems. In addition, the methods of the world rankings, the system of indicators, the ratings results are not always open to free access, and the ratings contain indicators for which there is either no reliable statistical data in Russia or its collection is quite time-consuming. Nevertheless, comparative research on the possibility of using foreign methodological apparatus for assessing the prospects of the city development is useful from a scientific and practical point of view. The main objective of the study is to analyze and assess the world rankings of global cities from the strategic development priorities of Russian megapolises, the potential of their inclusion in the global competitive environment.

## **3. Materials and methods**

The scientific basis of the study is the works of leading Russian and foreign scientists which provide information about global cities [10, 11, 12, 13, 14, 15, 16, 17]. The authors of the article are based on the professional research results of Globalization and World Cities, A. T. Kearney, etc., as well as findings concerning the development strategies of Russian megapolises, including St. Petersburg [18]. The information and statistical Rosstat base on social and economic indicators of Russian regions was used [19]; data on the human development index from the Analytical center for the Government of the Russian Federation [20], the data from STRELKA KB [21] and the open publications by the Russian cities authorities concerning the implementation of plans and programs for the city development [22]. The article uses the methods of conjugate analysis of the HPI and the integral indicator of the urban quality of life in Russian megapolises, methods of comparative and cluster analysis.

## **4. The research result and discussion**

The global character of the city and its global significance lies in the fact that it has a global impact on the development of the region, the country and the world economy as a whole, acting as a driving force of socio-economic and special development. The index of global cities, in fact, assess their impact on various components of the economy, culture, social sphere, above all assessing the internal potential of megapolises which elements are the components of the city's socio-economic development strategy and its special development plans.

Approaches to the ranking of global cities that form the centers of socio-cultural, economic, investment and business activity, provide information and knowledge exchange, accumulate political and cultural values and ideas, are different. The criteria for assessing the quality of life proposed by D. Savaggio [23] are the basis of the rating of global cities developed by Mercer. The GaWC rating methodology is based on the concept by P. Taylor [24, 25], according to which the nature of the world cities is purely materialistic, the world cities do not compete with each other, and they are in a network

connection. The ratings of the consulting firm T. A. Kearney, which has been publishing the index of influential global cities since 2002, include some provisions of the concept by Peter Hall [26] in terms of the main features of global cities, John Friedman [24, 25] – in terms of the hierarchy of world cities, the importance and degree of integration of the city into the world economy, Saskia Sassen [27] – in terms of clarifying the characteristics of the world city on the Central offices of transnational companies presence and the growth of financial and business services sectors, creative and tourism industry. On the basis of a large number of theoretical developments, including the model of "gateway to the global world" by David E. Andersson et al. [28], the concept of "world cities" by P. Taylor [24, 25], the theoretical foundations of the phenomenon of "archipelago" by Saskia Sassen [27], studies of the globalization processes and development of megapolises by D. Clark [29], the methodology and procedure for rating the world cities, that give an idea of the development of individual components of the city's economy, were developed.

According to the authors, the Global Cities Index and the Global Cities Outlook (A. T. Kearney), The world according to GaWC (GaWC), the Quality of living rankings (Mercer), the Global Liveability Ranking (The Economist Intelligence Unit), The monocle quality of life survey (Monocle), the Eurobarometer (Directorate-General for Regional and Urban Policy) are the largest and most influential rankings on assessing the quality of life in cities and the globality of cities. The Global Cities Index assesses the cities' compliance with the global city ideal and their current development indicators based on open statistics. The Global Cities Outlook assesses the prospects of the leading cities to maintain their positions, as well as the prospects of dynamically developing cities to achieve global status in the future.

The GaWC rating methodology is to study the global strategies of transnational service companies (hereinafter TNC), the cities globality is largely determined by its inclusion in the network of inter-settlement interactions.

Mercer makes the quality of life rating to help to set compensation for long-term foreign business trips for employees of other TNCs, as well as developing a specific policy for the regions. The Mercer rating, as well as The Economist Intelligence Unit rating, estimates not as much the "quality of life", but the "living comfort". The ratings of Mercer, The Economist, Monocle, Eurobarometer are large international ratings of cities in which the quality of life is the main measurable indicator. It can be argued that the quality of life measured by the Mercer and The Economist ratings is applicable only to a certain group of specialists working in another country or region.

The Global Liveability Ranking is a rating of cities on the quality of life only in the most general sense of the term. The purpose of this rating is to substantiate the need of paying compensation to TNC staff sent to regional offices of the companies. Monocle ratings are also close in essence to the ratings of Mercer and The Economist, but the target audience is more likely to be considered as young and wealthy citizens.

In the methodology developed by A.T. Kearney, the set of the indicators of the cities globalization level is quite large, the calculation of the rating of the global level of the city, despite the subjectivity of the assessment, is fairly transparent, reveals the strong and weak positions of the megacity development. Basing on the methodology by A.T. Kearney [3, 4], the authors of the article carried out a comparative analysis of the directions and the number of indicators for assessing the cities globalization level and for the active strategy of St. Petersburg development (hereinafter the Strategy). In general, the priorities stated in the Strategy are similar to A.T. Kearney criteria. They are detailed in strategic directions, targets, indicators. The strategic direction of "human capital development" is close to the criteria developed by the consulting firm A.T. Kearney in the category "human capital". There are significant differences in the categories of "improving the quality of the urban environment," "ensuring sustainable economic growth," "ensuring management effectiveness and the development of civil society."

The main methodological problem of all mentioned world ratings is a balance between the objective and subjective factors of the selection of indicators and their evaluation, so that the differences in the final quality of life assessment are significant (Table 1).

**Table 1.** Ten world leading cities in the world ratings A.T. Kearney, Mercer, The Economist <sup>a</sup>.

Rank	A.T. Kearney (2017)	Ratings Mercer (2017)	The Economist (2017)
1	New York	Vienna	Melbourne
2	London	Zurich	Vienna
3	Paris	Auckland	Vancouver
4	Tokyo	Munich	Toronto
5	Hong Kong	Vancouver	Кэлгари/Аделаида
6	Los Angeles	Düsseldorf	-
7	Chicago	Frankfurt	Pert
8	Beijing	Geneva	Auckland
9	Singapore	Copenhagen	Helsinki
10	Washington	Basel/Sydney	Hamburg

<sup>a</sup> Compiled by [4, 5, 8].

The world ratings of global cities include only two Russian cities of fifteen - Moscow and St. Petersburg. The research made it possible to identify the existing gap between the absolute leaders of Russia on favorable living conditions and the HDI - Moscow and St. Petersburg and megapolises left far behind: Kazan, Voronezh, Samara, Yekaterinburg, Nizhny Novgorod, Rostov-na-Donu of Novosibirsk, Chelyabinsk, Ufa, Omsk, Perm, Krasnoyarsk and Volgograd (Table 2).

**Table 2.** Differentiation of Russian megapolises on the potential inclusion in the global competitive environment<sup>a</sup>.

UQOLI	HDI						
0,950÷0,935	0,935÷0,920	0,920÷0,905	0,905÷0,890	0,890÷0,875	0,875÷0,860	0,860÷0,845	
св. 220	Moscow						
200÷220							
180÷200		St. Petersburg					
160÷180							
140÷160			Kazan	Krasnoyarsk	Yekaterinburg	Nizhny Novgorod	
						Chelyabinsk	
120÷140					Voronezh	sk Ufa	
					Omsk Samara	Rostov-na-Donu	
100÷120					Novosibirsk	Perm	
80÷100						Volgograd	

<sup>a</sup> Compiled by [21, 30].

Modern strategies for socio-economic development of Russian megapolises put social priority to the top - improving the quality of life of the population and human capital, creating safe and comfortable urban environment [22].

Since megapolises represent, in the opinion of P. Taylor [24, 25], N.A. Slugs [31, 32], etc., the driving force of social and economic development of society, the study of existing partnerships allows us to clarify the strategic direction of the global cities development. The analysis of foreign economic activity showed that there are sister cities with cities included in world ratings for such Russian megapolises as: Kazan (sister cities with two alpha cities rated GaWC - Guangzhou and Istanbul); Nizhny Novgorod (sister city - Philadelphia - included in the Global cities index); Novosibirsk (sister

city - Minneapolis - the city is included in the rating of The Economist); Volgograd (agreement on friendship with Cleveland - the city is included in The Economist rating); Yekaterinburg (sister city - Guangzhou - alpha-city according to GaWC classification, dynamically developing city in Global Cities Outlook (At.Kearney) rating); Rostov-na-Donu (sister city - Glasgow (Great Britain) - the city is included in the Mercer rating); Ufa (two sister cities - Ankara and Minsk (a group of gamma-cities) are included in the rating of GaWC).

In general, partnerships between global cities contribute to the development of their competitiveness potential, which results in a change in the way of life of a mass of people, acceleration of a wide variety of processes - innovative, investment, cultural, etc.

## 5. Summary

Basing on the analysis of the potential inclusion of Russian megapolises in the global competitive environment, four groups of cities have been formed: 1) The leaders are Moscow, St. Petersburg (UQOLI > 180; HDI = 0,950÷0,920); 2) Kazan, Krasnoyarsk (UQOLI = 140÷160; HDI = 0,905÷0,875); 3) Yekaterinburg, Nizhny Novgorod, Voronezh, Omsk, Chelyabinsk, Samara, Ufa, Novosibirsk, Rostov-na-Donu (UQOLI = 120÷160; HDI = 0,875÷0,845); 4) Volgograd, Perm (UQOLI = 80÷120; HDI = 0,860÷0,845).

Moscow and St. Petersburg are the members of the first group and the absolute leaders on the quality of the urban environment, the comfort of living and on the human development index. Only this group of cities is included in the world ratings and has the potential for further successful development. At the same time, there is a big gap between the leading cities and the rest of Russia's megapolises.

Kazan and Krasnoyarsk which indexes are close to the leader cities are separated in the certain group. This group of cities is characterized by the average values of the UQOLI and the HDI in the matrix of cities. This group has a potential to get into the world ratings of global cities.

The third and the largest group includes the cities of Yekaterinburg, Nizhny Novgorod, Voronezh, Omsk, Chelyabinsk, Samara, Ufa, Novosibirsk, Rostov-na-Donu. This group of cities lags far behind the city-leaders included in the first group, on the UQOLI and the HDI, and is also significantly behind the second group of cities on the HDI.

The fourth group of megapolises, which includes Perm and Volgograd, is characterized by the low UQOLI and HDI. The cities in this group take the last position among all Russian megapolises. This group of megapolises should, first of all, concentrate efforts on creating comfortable living conditions and direct budget funds to the development of human capital in order to realize the potential possibility of inclusion in the global competitive environment.

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