Methodology ISC for drawing up the rating of Russian regions

When drawing up a rating of Russian regions, ISC is guided by the two criteria – level and potential for social and economic development – and the logic shown below (Figure 1).
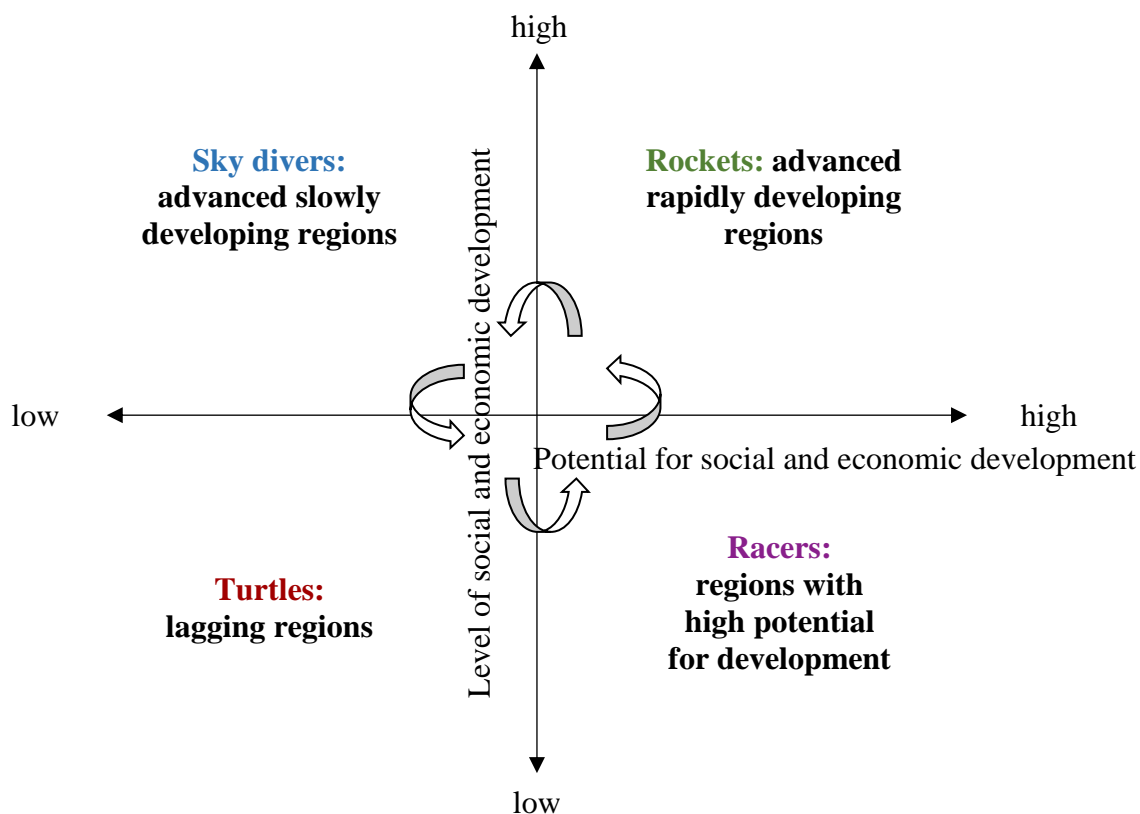

Figure 1. "TRMS" matrix of social and economic development of regions

As can be seen from Figure 1, ISC distinguishes between four categories of regions according to level and potential of their social and economic development:

1. **Turtles:** lagging regions. They are shown in the bottom left sector of the matrix. For these regions, the depth of the "underdevelopment whirlpool" is below zero, and the arithmetical mean of indicators of the potential for social and economic development (the ratio to the average Russian value of fixed investment per capita, the share of innovatively active organizations, the share of innovative products and digitization level) is less than 1; in addition, the following characteristics can be observed (but not necessarily simultaneously): the balanced financial result of the business is less than 0 (+), the ratio of occupational level to the average level in Russia is less than 1, and the budget balance of the constituent entity of the Federation is less than 0 (+);

1. **Racers:** regions with high potential for development. They are shown in the bottom right sector of the matrix. They are characterized by the depth of the "underdevelopment whirlpool" which is less than or equal to 0 (there is no "underdevelopment whirlpool"), but the following conditions are not observed simultaneously at that: the balanced financial result of the business is greater than or equal to 0 (+), the ratio of occupational level to the average level in Russia is greater than 1, and the budget balance of the constituent entity of the Federation is greater than or equal to 0 (+), and only some of these conditions are observed, whereas the arithmetical mean of indicators of the potential for social and economic development (the ratio to the average Russian value of fixed investment per capita, the share of innovatively active organizations, the share of innovative products and digitization level) is less than 1;

2. **Missiles:** advanced rapidly developing regions. They are shown in the right sector of the matrix. The following conditions are simultaneously observed for these regions: the depth of the

"underdevelopment whirlpool" is less than or equal to 0 (there is no "underdevelopment whirlpool"), the arithmetical mean of indicators of the potential for social and economic development (the ratio to the average Russian value of fixed investment per capita, the share of innovatively active organizations, the share of innovative products and digitization level) is greater than 1, and almost all of the following conditions are observed: the balanced financial result of the business is greater than or equal to 0 (+), the ratio of occupational level to the average level in Russia is greater than 1, and the budget balance of the constituent entity of the Federation is greater than or equal to 0 (+);

3. **Sky divers:** advanced slowly developing regions. They are shown in the upper left sector of the matrix. For these regions, the depth of the "underdevelopment whirlpool" is greater than zero, the balanced financial result of the business is greater than or equal to 0 (+), the ratio of occupational level to the average level in Russia is greater than 1, and the budget balance of the constituent entity of the Federation is greater than or equal to 0 (+), whereas the arithmetical mean of indicators of the potential for social and economic development (the ratio to the average Russian value of fixed investment per capita, the share of innovatively active organizations, the share of innovative products and digitization level) is greater than 1.

The order in which categories of regions are listed is not random – it is reflective of the logic of their evolution. At first, the region is lagging (T), then it accumulates potential (R), after which it unlocks this potential (M), exhausts it and is lagging in development (S), and eventually it may become lagging again. This is a vivid example of cyclic development of regions.

The rating is drawn up for each individual region and federal districts of the Russian Federation. The higher is the value of the integral index, the higher is the rating position of the constituent entity of the Federation. The **integral index** is determined as follows:

$$II=(LD+PD)/2, \qquad\qquad (1)$$

where II is the integral index;

LD is the arithmetical mean of the depth of the "underdevelopment whirlpool" reversed in sign (multiplied by -1), the ratio to the average Russian value of the balanced financial result of enterprises, the ratio to the average Russian value of the occupational level and the ratio to the average Russian value of budget balance (0 is used for negative values in the calculation of the arithmetical mean);

PD is the arithmetical mean of the ratio to the average Russian value of fixed investment per capita, the ratio to the average Russian value of the share of innovatively active organizations, the ratio to the average Russian value of the share of innovative products, and the ratio to the average Russian value of digitization level).