

# Urban development: do non-profit organizations help achieve its goals?

*Dina Prostova\**, *Natalia Istomina*, and *Elvin Jalilov*

Ural State University of Economics, Ekaterinburg, Russia

**Abstract.** Non-profit organizations are not only drivers of the development in the country, but also in cities and settlements. They provide employment, try to develop active interaction between government bodies and society, solving urgent problems of the population, creating a comfortable urban environment, thereby attracting business and investment. This study examines non-profit organizations in the Yekaterinburg, their activities to improve the lives of citizens, measures to upgrade the city and its neighborhoods. The United Nations predicts that by 2050, two-thirds of all humanity about 6.5 billion people will live in cities, especially in developing countries. State and municipal bodies cannot achieve sustainable urban development without a significant change in the management of urban spaces. In their turn, non-profit organizations can quickly and qualitatively assist in the development of the city. In this research, the authors analyze the relationship between the functioning of non-profit organizations and the sustainable development of the city.

## 1 Introduction

More than half of the world's population lives in cities, and experts estimate that 60 percent of the world's population will live in cities by 2050. The non-profit sector is the most important driving force of the urban economy. Non-profit organizations use the most advanced experience to change the city, help to perceive the realities of urban problems, and show that there is not only one way to solve it.

Due to limited resources, time, and strict requirements, local governments find themselves constrained in developing meaningful public events. In their turn, non-profit organizations are also able to become key assistants to local governments in the development of cities. Their level of expertise and public engagement work can bridge the gap in local government awareness of the needs of city residents that are often overlooked in urban development. They help to unite different sectors, each with their own unique set of powers, mindsets and skills to make more informed decisions and improve the lives of the citizens.

Non-profit organizations provide necessary cultural, educational, medical and social services, as well as actively participate in the formation of a comfortable and convenient urban environment.

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\*Corresponding author: [elena.dvoryadkina@yandex.ru](mailto:elena.dvoryadkina@yandex.ru)

The relevance of this study is to highlight the potential of non-profit organizations, which are becoming indispensable helpers in the reconstruction of public places and improving the attractiveness and accessibility of the remote urban areas.

Non-profit organizations contribute significantly to employment, employee compensation, and spending on goods and services. The main goal of NPOs is to increase the standard of living for people who live in the city and the country as a whole [7].

## **2 So What are Non-Profit Organizations and Why are They so Important?**

A non-profit organization (NPO) that is not driven by profit but by dedication to a particular mission, to which all income beyond what is required for the functioning of the organization is directed. According to Anheier, the modern form of NPO appeared with the emergence of the urban elite, the growing middle class, and the rapidly expanding working class in most Western countries during industrialization in the 19th century [8].

The first definitions of a nonprofit organization can be found in American authors [9]. Charities were first considered from a broad perspective, ranging from repairing bridges to helping the elderly and the poor. NPOs expanded day by day [10–11]. Eventually, NPOs have also taken on the role of watchdog institutions, demonstrating their expertise in developing policies and strategies, building capacity, acting as incubators in situations where recovery is slow and requires patience, providing social solidarity, and setting norms that shape market and state activity, ensuring that standards are shaped.

Based on the above, the authors formulate provisions for the reasons why it is so necessary for non-profit organizations to function at the municipal level.

Firstly, the importance of NPOs as subjects of the non-profit sector of the municipal economy is greatly growing in the context of the national development agenda to 2030 and the importance for their achievement, considering the processes at the level of municipal differentiation in social evolution.

Secondly, NPOs are an integral component of the social infrastructure of the city, and their activities are scaled in a certain way in the municipal economic space, which makes it necessary to study the effectiveness of their functioning.

Thirdly, NPOs are a unique object of the study in the municipal economy due to the fact that in their activities they combine a formal and informal approach, due to which it is possible to provide a high level of personalization of social services for the city population. Moreover, there are a number of areas of activity where it is impossible to achieve high results without the involvement of non-profit organizations, for example, introducing the city residents to healthy lifestyles, assisted living, prevention of socially dangerous diseases, etc.

Fourthly, NPOs act as spokespeople for civil society, engage citizens in volunteerism, and contribute to the development of charities.

## **3 Theoretical Background of the Research**

It is worth highlighting that in the foreign researches the background of non-profit organizations is attributed to several economic theories, i.e. government and market failure theory (public goods theory), contract failure theory, welfare state theory, interdependence theory and social origins theory.

In our study, we will examine non-profit organizations within the framework of theories such as urban development and local government theory.

Historically, cities have served as centers of commerce. Within the framework of the theory of urban development the authors consider how the development of the urban

infrastructure affects the attraction of the economic activity. In this way, if a city is booming, it grabs some big firms and businesses, so the big firms hire a large number of workers, and in turn these workers generally live there near the enterprise. The concentration of blocks of flats, in turn, attracts stores, restaurants and other services that serve the residents. N.B. Kosareva, T.D. Polidi, A.S. Puzanov argue that the development of human capital and the development of the area of society's existence are interdependent processes that constantly influence each other [12].

B.C. Znadvorov, A.V. Znadvorova point out that prestigious city neighborhoods automatically increase the price of the land in a particular area, correspondingly increasing the rent of housing, as well as the price of the accommodation in the hotel. And it is directly dependent on the historical and cultural characteristics of the territory (the culture factor). It should also be noted that the housing market reacts sharply to the existence or absence at all restrictions on land use, development rights, etc. (the factor of the legal status of various zones of the city). Consequently, it is possible to identify a wide group of social factors with a non-economic character. The condition of the air basin, the quality of clean water, and other environmental factors also play a key role [5]. According to E.G. Animitsa and N. Yu. Vlasova, «the establishment of the cities and towns, urban culture, urban identity, city lifestyle are associated with the specific development of the city's market, production and social infrastructure» [6]. In turn, just non-profit organizations can take on the function of improving the environmental situation, to conduct cultural events, as well as can provide educational services, to engage in beautification and development of the city, creating a comfortable urban environment [1–4].

The theory of local government distinguishes local authorities, established by the federal government, with responsibilities for public issues at the local level. The role of the local government directly at the local level is necessary because it is the closest authority with great influence. Most people prefer to go to their local government rather than the federal government when problems arise. The decision makers are usually local people who people know. Local authorities aim to meet people's needs for goods and services in a cost-effective way, especially at the lowest level of government. Therefore, local governments influence the development and formation of a comfortable urban environment [13–15].

The essence of the non-profit sector, non-profit organizations, their importance in the economy is traditionally the object of research by foreign and national scholars. Among foreign scientists we should mention G. Baker, M. Walzer, J. Keane, T. Levitt, G. B. Madison, W. Nielsen, D. North, M. Olson, R. Putnam, V. Tismanen, M. Howard, F. Schmitter, A. Schnabel, J. Scholt, A. Etzioni, etc.

## **4 The Impact of Non-Profit Organizations on the Development of Yekaterinburg**

One of the 17 sustainable development goals established by the United Nations concerns the creation of sustainable cities and communities.

Non-profit organizations play an important role in the implementation of the urban development programs, as well as settlements and urban districts.

In addition to providing important services to localities, non-profit organizations can help local authorities learn more about the needs of their residents as well as offer their services to the locality. Local governments, in turn, can take steps to build the capacity and reach of their nonprofit partners to better achieve their goals. Nonprofit organizations can also help develop effective programs for urban development, and help increase local funding by leveraging other foundations.

Thus, there are 5 NPOs operating in Yekaterinburg, which are active in the development of the city, they are indicated by local authorities as grant recipients, so we can conclude that these NPOs are active in public activities.

Non-profit organization Territorial Public Self-Government of the "Shartash" neighborhood of Kirovsky area of Yekaterinburg studies public opinion on improving the urban environment, carries out activities to improve the landscape, as well as street cleaning.

The local public organization "Territorial Public Self-Government "Akademicheskoy" organizes and conducts clean-ups throughout the city, holds competitions and organizes festive events.

Regional public organization in Sverdlovsk region "Ural Environmental Initiative" implements the project within the framework of joint Russian-French working group "Sustainable and smart cities" on creation of water and green urban frameworks. Proper, thought-out work with the urban landscape helps to improve the comfort of the urban environment and the quality of life of city dwellers, contributes to solving environmental problems and health issues. A water and green urban framework is a set of interconnected urban areas with vegetation cover and urban water bodies, included into the urban environment. It can be both natural, natural objects, and artificial. They include squares, flowerbeds, parks, lawns, ponds, rivers. The main task of the framework is to provide comfort and create recreational areas, microclimate of the city, improve the ecology and health indicators of the citizens.

Institute of Urban Development of Bashkortostan (Ufa), and the Park Ring Association (Kaliningrad). This organization aims to support the initiatives of citizens in areas of mass development of the Soviet period and to introduce residents to each other. This non-profit organization holds open lectures "In My Neighborhood. How Cool Projects Get Made in Neighborhoods", thus helping to inspire how others develop their territories such as cities, villages, settlements and districts. They provide an opportunity to discuss and share experiences, as well as to be infected with the examples of other activists. NPO established an open dialogue with Nadezhda Gryaznova, architect and local resident of Elmash, "Elmash as a European Suburbia", where they discuss current urban development projects of Uralmash and Elmash neighborhoods, their features and characteristics, French Quarter and Eiffel Tower, connection with Ural and Elmash.

Urban Initiatives Fund also holds open events on the theme "How does business develop Uralmash?", which discuss cases of business that affects material or cultural environment of Uralmash neighborhood and how businessmen and leaders of urban projects can do it together with leaders of urban initiatives and citizens. The meetings are attended by businessmen who implement projects to improve the environment in a variety of formats (from planting trees and installing parklets to creating street art or merch promoting local brands), leaders of urban initiatives engaged in the development of urban environment, updating local heritage, development of good neighborhood, as well as local cultural teams and artists and Uralmash citizens who want to understand how to cooperate with entrepreneurs and leaders of urban initiatives to develop their backyard, street or park.

Nonprofit organization "Fund of Urban Initiatives" is an organizer of conferences such as "The Culture of residential neighborhoods", "Media in the ecosystem of the city and neighborhood" where they discuss how to highlight important projects, build a dialogue with residents and activists of residential neighborhoods, create the foundation for new initiatives and collaborations. The Foundation team studies and introduces collaborative technologies into social, creative projects and urban environment development projects; together with the architectural bureaus we organize sessions for involving citizens into projects aimed at improving the urban environment, creating creative spaces or launching local development programs. The Foundation conducts comprehensive site surveys and identifies current and potential local development leaders. Through a series of educational events and practical

workshops, it helps local leaders to establish horizontal connections and identify possible areas of productive interaction. The projects of the Urban Initiatives Fund are presented in Table 1.

**Table 1.** Urban Initiatives Fund projects in progress

<b>Project title</b>	<b>Project content</b>
The White Tower	A project to preserve and bring the White Tower back into the life of the city.
Art-object "25-frame"	Participatory research, design and construction of an art object.
Tom Sawyer Fest	Historical Environment Restoration by Citizens.
Eco Yard in Yekaterinburg	All-Russian project to introduce a culture of waste management.
Nurov's Garden	A community garden and a series of cultural interventions on an abandoned historic estate.
The Living Bank	Neighborhood research and actions to involve residents in designing the environment.
Saturday is for something	A series of P2P educational seminars on urban development ideas.
Neighborhood Center School	Participatory community center design session for developer apartment complexes.

## 5 Conclusion

Thus, we can sum up that in complement to the positive financial benefits provided by nonprofit organizations, these organizations also generate a ripple effect through their work, which creates other benefits for the local economy. Cultural centers, such as museums or performing arts centers, are often non-profit organizations and serve to attract businesses, employees and tourists. Businesses are looking to establish themselves in dynamic cities, and employees looking for work are often guided by the same criteria. The opportunity to live and work within walking distance of museums, parks, theaters and libraries is desirable for many young professionals looking for work in urban centers. It's no coincidence that chambers of commerce place cultural centers and nonprofits at the forefront of their advertising. Finally, cultural centers attract tourism, and tourism generates revenue for cities because visitors spend money on food, parking, transportation, hotels, and retail, so it turns out that a comfortable urban environment directly affects the development of the city and its neighborhoods, which non-profit organizations provide through their efforts.

Non-profit organizations continue to increase their economic impact across the country and remain vital elements of the economy. They contribute in the form of spending, rewarding employees, and triggering a cycle of economic growth in local communities. While useful in many ways, both socially and economically, nonprofit organizations are important elements in supporting the health of citizens and creating comfortable and environmentally friendly urban places.

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