

## **Nureev R., Russia: institutional development.**

Moscow, 2009 (448 p.)

"Russia: Institutional development" is the first Russian monograph describing the development of post-Soviet Russia with institutional tools. The basis of this methodological development comprise lectures given by the author in Plekhanov. GV Plekhanov and the HSE, Gare vardskom and the University of Hamburg, Moscow and Rostov State University and several other universities in Russia.

In methodological development reflects a decade of experience virtual studio prof. RM Nureyev "Finding effective institutions for Russia in XXI century". The advantage of methodological development is that the problems of Russia rassmat Riva in the context of development economics. An original strategy and tact Single Russian modernization.

For students and teachers of economic universities and faculties, all interested in the actual problems of modern economics.

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## SUMMARY.

In chapter 1 the author analyze A.Gershenkron's concept about echelons of capitalism development is made, he shows features of formation of market economy in Russia.

The 2<sup>nd</sup> chapter is devoted to the institutional analysis of economic subjects of Post-Soviet Russia. Non-market households forms of adaptation to the market, a paternalism and racket, launch and falling of barter economy, and also decline of statehood and private property formation are analyzed.

In the 3<sup>rd</sup> chapter processes of privatization is investigated and author also shows what measures are promote to this process and what are not.

The 4<sup>th</sup> chapter is devoted to the problems of re-structuring of natural monopolies. Traditional and modern models of regulation of natural monopolies and the mechanisms of pricing in the conditions of this market structure are considered. Features Russian gas industry development and reforms in the RAO "UES" and AO «Russian Railways» are analyzed in details.

In the 5<sup>th</sup> chapter it is considered the basic macroeconomic trends typical for the post-socialist countries, the macroeconomic environment of the Russian business, dynamics of the basic macroeconomic indicators both in Russia and in East and the Central Europe, the Baltic States, Mongolia and the CIS is analyzed. In special section non-uniformity of regional development of federal districts and separate subjects of the Russian Federation are analyzed.

The 6<sup>th</sup> chapter is devoted tendencies social and political development. Here it is considered, how preferences of the Russian voters in 90<sup>th</sup> have changed. Special session describe what interrelation of economic and political monopolism in the Russian regions (so called "administrative resources"). Role of mass-media freedom in effective politician formation is also analyzed by author.

In the 7<sup>th</sup> chapter are analyzed advantages and disadvantages of economic specialization of Russia in the globalized world. In this chapter are summarized the analysis to the closed economy. Author consider that comparative advantages theory has limited possibilities of application for the developing countries. In this chapter author analyzed the place of Russia in the international division of labour. He also shows pluses and minuses of the Russian foreign trade specialization.

In the 8<sup>th</sup> chapter questions of Russian movement to a postindustrial society are investigated. Author criticized existing views about Russian development in the future. Preconditions of human and social capital formation in the XXI century are analyzed.

In the 9<sup>th</sup> chapter strategy and tactics of the Russian modernization are considered. Conditions which will promote development of freedom, economic capacity and social justice are shown. Actually the chapter is devoted possible scenarios of development of modern Russia till 2020. Arguments pro's and contra's movements of Russia by the way of competitive, oligarchic and state capitalism are analyzed.

Development of Russia is theoretically possible in three directions: with prevalence of a role of the state, oligarchies and creation of conditions for strengthening and development of small average business. These variants could be called:

- State capitalism
- Oligarchic capitalism
- Comparative capitalism

Development by the way of the state capitalism means universal intervention of the state in economy, strengthening of the centralized redistribution of resources, restriction of enterprise freedom and investment decisions (both the centre, and the regional authorities), the dosed out openness of economy and the rate on growth maximization on the basis of the limited circle of branches.

It is important to understand what functions in the conditions of the **state capitalism** will be carried out by the government. The state could be divided (according to J. Buchanan) on

making state and protecting state. The first will increase the presence at the economy, the second will try to create preconditions for development of the market and increase of competitiveness of national economy.

For development of the protecting state it is necessary to raise a transparency, professionalism and efficiency of the administrative control.

On the contrary, in case of the **oligarchic capitalism** scenario realization there will be a further integration of the companies and growth of branch concentration. The consequences of this scenario could be rather significant presence of the large foreign companies in the Russian market, delegation by the state of acceptance of economic decisions to the large companies. It could be provided in terms of the political coordination in frameworks of "the industrial policy». For the oligarchic capitalism is typically of combination of an openness of economy to selective protectionist measures. In this case the role of the state is minimized. It gives a possibility to develop to those tendencies which have developed in Russia in 90e years.

In case of the **competitive capitalism** scenario state keeps the strong regulating policy in sphere of formation, maintenance and perfection of conditions of managing, assistance of a competition and support of small and average business. The state is eliminated from sphere of acceptance of enterprise decisions, redistribution of resources (except social redistribution) as much as possible. The role market competitive mechanism is growing. The policy of the open markets is spent at accurate rules and responsibility of subjects in this scenario. The aspiration to develop this model was characteristic for the first Russian democrats, however they did not have enough forces to limit tendencies of manufacture concentration and the capital which have limited sooner or later competitive potentialities of market economy. The perfect competition was quickly replaced by a monopolistic competition, and it in a number of branches was replaced by oligopoly.

However even realization of these scenarios is possible in various institutional forms. Their influence on a policy will differ depending on variety of circumstances. Depending on strengthening or easing of vertical model of political management, following variants are possible:

- Authoritarianism – democracy, «managed democracy»;
- Protectionism – free trade policy;
- Closed - opened society;
- Modern liberal - Classical liberal tradition.

Depending on development of the political federal device strengthening of centralism or federalism development, easing or strengthening of the regional power are possible. As a result it will be realized mainly administrative or liberal model.

However in this case the various role of the political organizations is possible. Easing or strengthening of a role of parties and their influence on acceptance of significant decisions is possible. Now the tendency to one-party system strengthening, however is brightly expressed as shows historical experiment these are the countries with unstable democracy.

Weakness of parliamentary systems is in coalitions instability. Presence of a great number of party fractions leads to that they quite often break up. The parliamentary system of board has appeared the most effective in industrially developed countries. And on the contrary, we should draw an unfavorable conclusion that any forms of democracy are inefficient in Third World countries.

Time will show, whether to be fixed an one-party system in Russia or the two-party system will come to change it. In the conditions of presidential systems, occurrence stable multiparty systems less possibly.

Recently steps after increase of a role of a civil society are undertaken. However the time will show how many steps will manage to express interests of various social groups. It is absolute clear that in many countries (for example to Great Britain, France, Japan) trade unions have played a big role. In a number of the countries (for example in Germany) the important role

is played by the unions of businessmen, and also the political organizations of small and average business.

It is important to make economic policy more clear to citizens. Politicians should managed to convince people of its correctness. It is necessary, that the policy was consecutive, opened and fair. Besides it should be built correctly and tactically, i.e. be guided not only on long-term, an end result but also to prove the efficiency in reasonable, from the point of view of population expectations and time terms. Only in this case Russia will realize those possibilities which are represented to it by the history.