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ECONOMIC REVIVAL -
SOCIO-ECONOMIC
CONSOLIDATION -
ECONOMIC GROWTH

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The socio-economic situation of Russia in 2001 is possible to characterize by the term "unstable balance". Available action of two opposite directed processes. From one, external party, within two last years the functional revival of many industries takes place, among which, except for resource branches, are mashin-building, metal cutting industry, biological industry, and also sectors focused on domestic consumption. From other, internal party, there are powerful processes of reduction of microeconomic potential: aging of a fixed capital, loss of technological obvious and implicit knowledge, poor enterprise management. The first processes require support, second - in braking and overcoming.

All this prevents to characterize a present stage of economy of Russia as economic growth. It is necessary to specify, that the economic growth is not simply gain of parameters of economic activity in comparison with the previous period (this phenomenon it is better to name economic burst or revival), and special relatively long phase in movement of economy with appropriate institutes, psychology and expectations of the population and, most important, - factors of self-support. The phase of economic growth is characterized also by special impression of current of time by a society. The future becomes the equal in rights partner for the present. The investment risks approach with current, and investments are considered as an effective way of wealth accumulation. The time turns from an invincible enemy to the correct ally.

The obvious economic revival of last two years is not inertial trend. The economic dynamics is under strong influence of a world conjuncture on the raw goods and is not accompanied by essential accumulation of socio-economic potential of internal supply and demand.

To fix positive changes, to support the transition from a phase of unstable economic revival to a phase of sustainable economic growth, we need the purposeful efforts from the part of state and regional authorities focused on stimulation of economic growth and connected to investment activity, creation of investment institutions, state support long-term projects, expansion of practice of the intermediate term state orders, in particular - in high technologies sphere. In this situation the basic purpose of socio-economic and legislative policy should become the concentration on the industrial and extended reproduction process, and on restoration of positive expectations and mutual trust of the socio-economic agents and in relation them to the state. The restoration and strengthening destroyed to the end 1990 years of system of positive mutual expectations is a necessary condition of transition to a phase of economic growth. Expansion of capacity of a domestic market, involving in a long-term turnover of savings of the Russian people are not less important tasks, than attraction of the foreign investments or introduction of Russia in WTO.

More detailed analysis of internal structure of economy results in a conclusion, that the various components of economy develop with impressive various intensity. For an example it is enough to pay attention that the microbiological industry, where for 10 months of 2001 best achieves among other branches rate of growth - 188 %, is at the same time leader on number of the unprofitable enterprises (more than 65 % from general(common) number of the enterprises). The second place on rates of growth for this period is occupied by a polygraphic industry, where the share of the unprofitable enterprises, on the contrary, is minimal (10 %). At the same time in a medical industry finishing year with fall approximately on 5 %, share of the unprofitable enterprises also one of lowest in industry - 15 %. It is possible to notice also, that the too high share of intersectoral flows goes not directly, inside national

economy, and under the export-import circuits. Thus the raw goods are mainly exported, and the need for machine-building production is realized at the expense of import.

What to choose structure of economy - branch, territorial, on patterns of ownership, on the sizes of the enterprises etc., everywhere it is possible to notice a significant difference in rates and quality of growth (or recession). The balances between separate subsystems of a national economy is broken also: reproduction and innovation processes is inadmissible lag behind from industrial; growth of the investments - from growth of the savings of the population etc.

All this speaks that available now in economy institutional market and administrative mechanisms of maintenance of the interconnected functioning and balanced development of separate subsystems - have appeared inefficient. The national economy finally has ceased to be "a united economic complex" (speech goes not about united management, and about system functioning) and has got clear features of a *fragmentation*.

The fragmentariness of economy to-day is the basic obstacle for economic growth. Steady economic growth (as against economic recession) - privilege of the complete and balanced systems. For fragmentary systems the growth can not be simultaneously steady and good-quality.

The economy, fragmentized and stratified on all directions, for the obvious reasons is unstable, as the adverse changes of external conditions in this or that sector can not be compensated by resources of other sectors. Figuratively speaking, from a tree with mighty roots the economy turns in blade of grass, which is snaked by winds of an external price conjuncture. An internal supply and demand forming the base of economy, are not focused against each other, are not coordinated one to another and develop on different trajectories. The fragmentariness of economy locates a competition, increases break between the poor majority and rich minority and provokes inflation, as the manufacturer is guided by a ceiling price of demand. For fragmentary economy are characteristic also low level of mutual trust of the agents and following from here poor propensity to the long-term investments. In such economy low efficiency of use of all kinds of resources, as the fragmentariness interferes them to movement in a place of the best demand.

Thus the fragmentariness carries universal and multidimensional character, and it means, that the economy actually breaks up to the separate companies and corporations. If to peer even more steadfastly, and within the framework of one corporation or consolidated group of the enterprises and organizations we shall see the enterprises with a absolutely various level and having various rate of development. Having finished an acuteness of a sight up to a maximum, we shall see also fragmentariness of society, and even into an enterprise.

The surveys of the enterprises carried out in 1998 - 2001 by the Central Economics and Mathematics Institute of the Russian academy of sciences of inspection show, that just as it takes place on macrolevel, the space inside the enterprises is fragmentarized also. The management of the enterprises has ceased to be system. Processes of manufacture, logistics, marketing, reception and dismissal of the personnel are not coordinated. The strategic purposes of management are absent, the management carries momentary jet character. The enterprises remind incorrectly assembled the "Rubik cube" - puzzle popular all over the world in middle 1980th. The restructuring, which should provide regular and purposeful strategic management at the enterprises, was not held.

The reason it is in deep institutional contradictions in mechanism of decision making in the enterprise. Uncontrollable authority of the general director; restriction of opportunities of influence on the decisions making of technical management; the lack of rights of the workers; the concentration of interests of the external proprietors on short-term financial results to the detriment of long-term development of the enterprises - speaks all this about necessity of restructuring not only concrete Russian enterprises, but also institution of the enterprise in Russia. The reform must be directed on creation of the balanced system of interests, rights and duties of the participants of activity of the enterprise and its effective realization in activity of the enterprise. Such reform should relate and change a lot of the basic normative acts, including the Civil code of Russian Federation, Law on joint-stock companies, legislation on bankruptcy, Code of the laws about work etc. This position, however, does not find while understanding in Government and Administration of the President.

Failures of a privatization, the failures of corporate management have resulted economy of Russia in middle 1990 years in a stage "of economy of the physical persons", in which the basic subjects of the decision making in economy are the individuals, and management of the enterprises, the state and municipal officials make the decisions, pursuing extremely personal interests. To this stage the economy of Russia moved across such phases, as the stages "of economy of regions", "of economy of branches", "economy of enterprises", in which by the basic subjects of the decisions were the appropriate economic formations. As the stage "of economy of the physical persons" is in a way lowest point of this curve, the further development is possible only in a direction of consolidation. However was found out, that dynamics of socio-economic development in the given sphere is hysteresis, and the consolidation around of the enterprises was not held. Now it is possible to speak only about the tendency to consolidation around of official and informal financial and industrial groups (including - criminal business groups).

Meanwhile the development of economy, transition of a manufacturing industry to a new technological level are impossible without consolidation at a level of the enterprise of all participants of its activity. The efforts of policymakers and managers are not enough for this purpose, however. The development of the economic theory, in particular, industrial economics is necessary, in view of a historical way and economic situation which have been usual in Russia. The reconsideration of the concept of the enterprise in transitive economy of Russia is necessary too. The one-functional theory of the enterprise as means for satisfaction of interests of the large shareholders in public consciousness and in economic policy should be changed by the multifunctional theory of the enterprise as means of the coordination and realization of interests of a wide circle of the participants, first of all - workers, management, proprietors, local population and local administration.

The general consolidation of economy and society, strengthening of institutions and channels of interaction between the enterprises, branches, regions is simultaneously necessary. Defragmentation of economy and society in Russia is the main condition of development of Russian economy and transition to a stage of its economic growth.