

## FROM THE CHIEF EDITOR



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**Dear readers,**

Last year and at the beginning of the new 2011 the activities carried out by the federal and regional authorities resulted in a certain effect in the post-crisis recovery of the Russian economy. During 2010 in the country gross domestic product increased by 4%, sales volume of industrial production – by 8.2%. However, these results should be assessed carefully. Most indicators have not yet reached pre-crisis level.

Russian economic growth in 2010 is rather satisfactory due to the low base in 2009. It noticeably pales against the background of dynamics that, for example, the other BRIC countries provided, which had in 2009 a significant growth. According to the OECD in 2010 China's GDP increased by 11%, India's – by 8, Brazil's – by 6.5%<sup>1</sup>.

At the same time in the Russian economy there are high risks and instability. Thus, with exports growth in 2010 by 4.4% (mainly due to raw materials), the volume of non-primary imports increased by 22.5%. Investment activity recovers extremely slowly: in 2009 the investment volume in comparison with 2008 decreased by 16% and in 2010 their annual growth rate was only 6%. Producer price index of manufactured goods for 2010 was 114.9%. In December 2010 compared with December 2009 the consumer price index rose to 108.8%. In January 2011 compared to January 2010 it was 109.2%, and by a food group – 114.2%<sup>2</sup>. Many other macroeconomic indicators of the current state of the domestic economy generate pessimistic expectations of economic agents.

The concept of modernization of the country was considered in the famous article of the President of the Russian Federation, D.A. Medvedev “Russia, forward!” (September 2009) is aimed at active overcoming of negative trends. It is important in principle as before its formation, the primary objective of the economic policy for decades was proclaimed the doubling of domestic product.

<sup>1</sup> According to: [electronic resource]. – Available at: <http://www.slou.ru.news.397792>

<sup>2</sup> The figures are based on data from the official site of Rosstat and calculations of IEF RAS (forecast of indicators of the Russian economy. – URL: <http://www.ecfor.ru>).

Quantitative approach prevailed in development programs of the Russian economy, developed later for 15 – 20 years. They had clearly insufficient reflection of the dominant approach in the modern world – to consider goals of lifting the economy as goals of not primarily quantitative growth but of qualitative development. Progressiveness of the concept of modernization is that it comes from the need for active influence on economic processes, taking measures of turning importance for qualitative improvement of the domestic economy.

“However, declared today a course to modernization, – K.I. Mikulsky notes – leaves many questions still open about the ways and methods of its implementation, necessary environment and incentives, objective and subjective limiters and opportunities to overcome them”<sup>3</sup>. Other experts give similar estimates<sup>4</sup>.

They also agree that comprehensive and effective modernization is possible only if there is rejection of the antisocial bureaucratic and oligarchic system developed in Russia. Simultaneously, experts stress that the possibility of real implementation of modernization depends on the emergence among the ruling elite of people taking responsibility for the fortune of the country and are ready to conduct profound transformation<sup>5</sup>. But the real success can be reached through compound initiatives in the power and progressive movements, thanks to which, as practice shows, civil society is formed.

The current situation in the country more and more insistently calls for urgent, tough and consistent actions against corruption affected the supreme bodies of power and control and virtually all parts of the Russian society as well. These requirements are based on the facts of everyday

<sup>3</sup> See Mikulsky K. On conceptual development of goals of modernizing the Russian economy // Society and economy. – 2010. – № 12. – P. 5.

<sup>4</sup> Sukharev O.S. in the book “Economic policy and industrial development” (Moscow: Finances and Statistics, 2011) writes: “To upgrade means today to make modern, to change in accordance with the requirements of the times, introducing a variety of improvements ... It is necessary to clearly understand modern requirements, what are they, what improvements are needed, how to plan them and in what sequence to conduct. Finally, it should quite definitely say what final result is expected, what the overall strategic goal is and how different groups of agents should behave to achieve this public purpose” (p. 17).

Greenberg R.S. in his article “Is the Russian modernization feasible?” said about it more harshly: “With three-year plans, and even more “manual” control, we will not have real economic effect ... We need to conduct an urgent inventory of ideas and resources of the country and take its results on extensive discussion. It is necessary to develop long-term socio-economic strategy of the state, which will include subjects, mechanisms and terms for their implementation. By the way, it is then there is a chance for creative structuring of post-Soviet space, or at least its most part. It is then our own competitive TNCs begin to form and operate which are able to participate in the globalizing world economy as subjects rather than objects of the process” (Journal of the New Economic Association. – 2010. – № 7. – Pp. 145-146).

Gokhberg L.M. and Kuznetsova T.E. (HSE) added thereto: “But in practice, all undertakings are translated into a set of point measures, which are generally not linked and do not provide the desired results. These measures are often not supported by the necessary analytical basis, long-term and medium-term consequences are not calculated as well. A serious problem is the lack of close, natural and permanent relationship (interdependence) between innovation policy and the basic socio-economic transformations – increase of labor productivity and competitiveness, diversification of the economy, promotion of competition and improvement of the institutional environment for effective business activity”(ibid. – Pp. 14-142).

<sup>5</sup> Bunich A., the president of the Union of Entrepreneurs and tenants of Russia, spoke about it this way: “It is our elite, our managers are to blame for our lack of competitiveness and low productivity. They lost to international competition, have generated a total ineffectiveness. That’s the power and the oligarchs collapsed the economy, have paralyzed whole industries, and took the capital out of the West ”(Bunich A. We are digging up in wrong direction // Literary Gazette. – 2010. – № 5. – 9-15 Feb. – P. 2).

life, reported by the print mass media, radio and electronic mass media. There is no doubt that they have a bad influence on the dynamics of trust to the power hierarchy. This is clearly evidenced by the dynamics of observational data of public opinion conducted on a regular basis by ISED T RAS.

Tables 1 – 3 show comparison of some parameters of social well-being and social and political mood of the population of the Vologda oblast. December 2010 was taken as the reporting period. Base of comparison is the averaged data obtained in the course of four measurements taken by ISED T RAS for time period from January to August 2008<sup>6</sup>. During this period the highest indicators of public trust were recorded since the beginning of the presidency of D.A. Medvedev. In autumn 2008, under the influence of rapidly growing impact of world financial crisis negative trends in estimates were observed. Pre-crisis level of the first 8 months of 2008 has not been reached yet.

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The book “Globalization, transformation, crisis – what next?” by the famous Polish scientist and economist Grzegorz W. Kolodko was recently published, which raised serious problems of world social and economic development. The introductory chapter by the corresponding member of RAS R.S. Greenberg opens the book. He covers the errors committed by the Russian authorities in the course of market transformations and also points to the key problems that must be solved to ensure high efficiency of the Russian economy as well. The scientist emphasizes that “... today, our main interest is a question: what kind of shape in the immediate future of will capitalism have, what is its structure, what theoretical basis and practical skills will it be built and transformed (or upgraded) on?”<sup>7</sup>

<sup>6</sup> Methodical aspects of public opinion studies (see the journal “Economic and Social Change: Facts, Trends, Forecast. – 2010. – № 3. – P. 6).

<sup>7</sup> Full text, with P.S. Greenberg’s consent, of the chapter is given below (see page 12-21).

Table 1. Evaluation of activities

| Vertical of power       | Approval. % of the total number of respondents |           | Changes rate | Disapproval % of the total number of respondents |           | Changes rate |
|-------------------------|--|-----------|--------------|--|-----------|--------------|
|                         | 8 months 2008                                  | Dez. 2010 |              | 8 months 2008                                    | Dez. 2010 |              |
| RF President            | 75.0   | 57.7      | 0.77         | 9.3  | 25.5      | 2.74         |
| RF Prime Minister       | 79.4   | 61.1      | 0.77         | 9.3  | 23.5      | 2.53         |
| Vologda Region governor | 57.8   | 47.2      | 0.82         | 19.9   | 28.6      | 1.44         |

Table 2. Evaluation of social state

| Percentages to the total number of respondents                                   |           | Changes rate |
|--|-----------|--------------|
| 8 months 2008  | Dez. 2010 |              |
| <i>Normal state, good mood</i>   |           |              |
| 70.2   | 64.7      | 0.92         |
| <i>Experiencing stress, anger, fear, anguish</i>                                 |           |              |
| 22.1   | 29.8      | 1.34         |
| <i>It's not so bad and you can live; it's hard to live, but you can tolerate</i> |           |              |
| 81.0   | 76.7      | 0.94         |
| <i>It's impossible to tolerate our plight</i>                                    |           |              |
| 10.9   | 16.0      | 1.46         |
| <i>Consumer sentiment index</i>  |           |              |
| 107.5  | 87.8      | 0.81         |
| <i>The share who consider themselves poor and destitute</i>                      |           |              |
| 39.8   | 46.6      | 1.17         |
| <i>The share who consider themselves middle class</i>                            |           |              |
| 50.7   | 42.1      | 0.83         |

Table 3. Parties' activities support

| Support                       | 8 months 2008 | Dez. 2010 | Changes rate |
|-------------------------------|---------------|-----------|--------------|
| United Russia                 | 40.5          | 28.3      | 0.70         |
| LDPR                          | 7.7           | 8.1       | 1.05         |
| CPRF                          | 6.8           | 7.5       | 1.10         |
| Fair Russia                   | 5.0           | 3.8       | 0.76         |
| Another                       | 1.4           | 2.0       | 1.43         |
| Any                           | 20.1          | 36.6      | 1.82         |
| I find it difficult to answer | 13.7          | 13.6      | 0.99         |

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This issue publishes interesting, in our view, judgments about current and future problems for Russia's development of members of the Editorial Board of our journal - academicians V.L. Makarov and V.V. Ivanter. Academician V.L. Makarov, director of the Central Economic and Mathematical Institute RAS, shows how useful the historical aspect of dealing with the crisis is and what may be applied from this experience for the formation of the future anti-crisis Russian economy.

Academician V.V. Ivanter, director of the Institute of Economic Forecasting RAS, in the proposed to readers review of the text of the speech delivered at an international seminar (Paris, June 2010) presents his vision of ways and mechanisms for socioeconomic advancement of our country in the globalizing world.

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In 2010 our journal has been further developed. In four editions 56 articles were published, that is 15% more than in 2009. Among the Russian authors there are 48 Doctors and Ph.Ds, 8 postgraduate students and applicants, 5 managers and employees of the regional government. Works of famous scientists from France, China and Belarus were published.

Dynamics of data of the journal site shows a steady increase in the number of its visitors. In 2010, the average for the month had 170 visits. Table 4 provides a ranking of headings under which the works of authors were placed in the journal.

Table 4. The first ten categories of the journal by duration of viewing for the period from December 2009 to February 2011

| Rating | Categories                                | Total time of viewing, minutes | Total number of views | Average viewing time, minutes |
|--------|---|--------------------------------|-----------------------|-------------------------------|
| 1.     | Regional economy                          | 98084                          | 5204                  | 19                            |
| 2.     | Social development                        | 34179                          | 1731                  | 19                            |
| 3.     | Development Strategy                      | 25039                          | 1378                  | 18                            |
| 4.     | Continues the theme of the previous issue | 15256                          | 820                   | 18                            |
| 5.     | Economics of Nature                       | 7038                           | 363                   | 19                            |
| 6.     | Public Economics                          | 1814                           | 107                   | 17                            |
| 7.     | Problems of Expanded Reproduction         | 1639                           | 124                   | 13                            |
| 8.     | From the editor                           | 1275                           | 67                    | 19                            |
| 9.     | Economy sectors                           | 1036                           | 78                    | 13                            |
| 10.    | Innovative development                    | 816                            | 46                    | 17                            |

In 2011 the journal will be issued six times a year (instead of four). Since the beginning of the new year Kuznetsov S.V. – Doctor of Economics, Professor, Director of Institute of Regional Economy Problems RAS (St. Petersburg), Chukreev U.Ya. – Doctor of Technics, Professor, Director of Institute of Social, Economic and Energy Problems of the North of Komi Scientific center YrO RAS, Wu Enyuan – Director of Institute of Russian, East European and Central Asian studies, Chinese Academy of Social Sciences The Editorial Board of the journal have agreed to enter the editorial board of the journal. E.S. Gubanova – Doctor of Economics, Professor (Vologda State Technical University) and S.V. Terebova (ISED T RAS) became members the editorial board.

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Leaders of the Russian Academy of Sciences and the Vologda oblast decided to hold a scientific and practical conference “Strategy and Tactics of implementation of socio-economic reforms: a regional aspect” on 16 – 18 March, 2011 in Vologda. It will have the international status. The main idea of the conference is economic and social modernization of the Russian regions: opportunities, prospects and mechanisms.

Co-chairmen of the conference are **Yu. S. Osipov** – the President of the Russian Academy of Sciences, Academician and **V.E. Pozgalev** – the Governor of the Vologda oblast.

Research supervisors of the conference are A.D. Nekipelov – Academician, the Vice-President of RAS, A.A. Kokoshin – Academician and secretary of the Department of Social Sciences, Director of the Institute of International Security Problems RAS.

At plenary sessions of the conference reports of prominent scientists from Moscow, St. Petersburg, economic institutions located in regions of the North-West will be represented. Speakers from abroad will be scientists of Belarus, Hungary and China.

Sectional work is organized in the following areas:

**Section 1.** *Problems of sustainable social and economic development of territories.*

**Section 2.** *Objectives and directions of improving the efficiency and quality of growth of the real sector of the economy.*

**Section 3.** *The role of intellectual capital and scientific and technical sphere in solving socioeconomic goals of modernization.*

**Section 4.** *Problems of qualitative growth of the human potential of the Russian regions.*

**Section 5.** *Activization of social potential and civil society development.*

Planned topics of future issues of the journal this year are as follows:

№ 2 (14), April – Materials of the VI theoretical and practical conference;

№ 3 (15), June – Key issues in the transition of the regional economy in an innovative way of development (in the form of a “round table”);

№ 4 (16), August – Problems of ensuring economic security of regional development;

№ 5 (17), October – Issues of efficiency of regional health and education systems;

№ 6 (18), December – Ways to reduce social inequalities.

Thematic issues, of course, will be filled with articles revealing other aspects of implementation of modernization transformations of regional economy and its innovative development. The editors invite readers to actively participate in shaping the future issues and give answers to questions of a special form embedded in the journal.

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In this issue, as in the previous two issues, readers can find a list of top ten journal articles on frequency and duration of their viewing over the past 12 months and for the last 3 months. Measured in this manner popularity rating will be published in each following issue.

The first ten articles of the journal by duration of their viewing over the past 12 months (January 2010 – February 2011)

| №   | Total time of viewing, minutes | Number of views | Average viewing time, minutes | Article   | Issue                | Authors   |
|-----|--------------------------------|-----------------|-------------------------------|---|----------------------|---|
| 1.  | 4605                           | 175             | 26                            | Development of the regional cluster systems   | №1<br>March 2008     | Tamara V.Uskova   |
| 2.  | 4492                           | 134             | 34                            | Spatial aspects of the region's population socio-economic differentiation                                       | №7<br>September 2009 | Liudmila V. Kostyleva   |
| 3.  | 3284                           | 110             | 30                            | Prospects of Small Innovation Enterprises in the Academic and University Sectors of Science in Saint-Petersburg | №6<br>June 2009      | Alexey A. Rumyantsev,<br>Alexey G. Strelnikov                               |
| 4.  | 2526                           | 83              | 30                            | The tourism industry: administrative levels and methods of forming  | №5<br>March 2009     | Tamara E. Dmitrieva<br>Vitaly A. Schenyavsky                                |
| 5.  | 1989                           | 88              | 23                            | House Building in the Region: Problems and Tracks of Solution   | №6<br>June 2009      | Anna I. Povarova<br>Olga N. Gordina<br>Tamara V. Uskova<br>Anna M. Cherevko |
| 6.  | 1765                           | 84              | 21                            | Strategy of region's economy diversification  | №1<br>March 2008     | Leonid G.Yogman   |
| 7.  | 1666                           | 102             | 16                            | Status and prospects of tourist industry development in the Vologda region                                      | №5<br>March 2009     | Svetlana A. Selyakova<br>Liudmila V. Dubinicheva<br>Kirill V. Markov        |
| 8.  | 1570                           | 90              | 17                            | Methodological basics of agrarian and industrial complex innovative development                                 | №2<br>June 2008      | Valentin A. Ivanov  |
| 9.  | 1469                           | 72              | 20                            | Prospects for bioenergetics   | №8<br>December 2009  | Viktor V. Grachyov<br>Roman B. Markov                                       |
| 10. | 1386                           | 77              | 18                            | Problems of local budgeting and municipal property  | №1<br>March 2008     | Sergey D. Valentey<br>Taliya.Y. Habrieva                                    |

The first ten articles of the journal by duration of their viewing over the past 3 months (November 2010 – January 2011)

| №   | Total time of viewing, minutes | Number of views | Average viewing time, minutes | Article   | Issue                    | Authors  |
|-----|--------------------------------|-----------------|-------------------------------|---|--------------------------|--|
| 1.  | 1297                           | 55              | 24                            | Intellectual resources as innovation development factor                         | №11<br>September<br>2010 | Vladimir A. Il'in<br>Konstantin A. Gulin<br>Tamara V. Uskova |
| 2.  | 875                            | 49              | 18                            | Problems of local budgeting and municipal property                              | №1<br>March<br>2008      | Sergey D. Valentyey<br>Taliya.Y. Habrieva                    |
| 3.  | 473                            | 20              | 24                            | The prospective ways for prediction of energy consumption of North              | №1<br>March<br>2008      | Svetlana S. Tuinova  |
| 4.  | 428                            | 8               | 54                            | The system of goods promotion as a factor of engineering production development | №9<br>March<br>2010      | Olga A. Gribanova  |
| 5.  | 394                            | 20              | 20                            | Development of the regional cluster systems                                     | №1<br>March<br>2008      | Tamara V.Uskova  |
| 6.  | 384                            | 12              | 32                            | Strategy of region's economy diversification                                    | №1<br>March<br>2008      | Leonid G.Yogman  |
| 7.  | 339                            | 23              | 15                            | Agriculture on the European North: All-Russian agricultural census results      | №11<br>September<br>2010 | Valentin A. Ivanov<br>Elena V. Ivanova                       |
| 8.  | 326                            | 26              | 13                            | Dynamics of socioeconomic development of the Komi Republic                      | №1<br>March<br>2008      | Vitaly N. Lazhentsev   |
| 9.  | 322                            |                 | 16                            | Social development of rural areas as agriculture stability factor               | №11<br>September<br>2010 | Alexander N. Chekavinsky                                     |
| 10. | 304                            |                 | 15                            | The Vologda region: prospects of territory's demographic development            | №11<br>September<br>2010 | Alexandra A. Shabunova<br>Anton O. Bogaturov                 |