

# FROM THE CHIEF EDITOR



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## Anxious expectations remain

May 7 marks one year since V.V. Putin began his third Presidency. What changes have happened in Russian socio-political and socio-economic life for this year? Especially regarding the fact that these changes are taking place alongside the challenging global events, related to the formation of the new world order.

In our opinion, the most important political result of the first year of V.V. Putin's third Presidency concerning the Russian society consists in the fact that a precarious model of governing the state, the so-called 'power tandem', is now fading into the past. But it is fading slowly: the team of the previous President, formed during his 4 years in office, moved to D.A. Medvedev's Government and it tries to pursue its course of extreme liberalism, the maximum withdrawal of the state from the spheres of economic and social policy.

This course is actually aimed at the creation of conditions that do not promote the execution of President Putin's 11 decrees as of May 7, 2012, which contain the orders (where definite figure indicators are established) to the RF Government headed by D.A. Medvedev. These orders are aimed at solving the tasks set in V.V. Putin's election papers.

The most evident proof of this approach can be seen in the RF Government Resolution 'Main guidelines of activities of the Government of the Russian Federation up to 2018' dated January 31, 2013, that contains 37 pages of 'good intentions and wishes' to fulfill the tasks set in these Presidential decrees. **The table below shows that from the 30 figure indicators, contained in V.V. Putin's decrees, the 'Main guidelines of activities of the Government of the Russian Federation up to 2018' lack 19 indicators; the intermediate or final values of 5 indicators are absent; and the planned values of 2 indicators have been changed.**

It should be noted that such a policy of emasculating the actual target indicators of enhancement of the population's life quality, the quality of economy, state and civil society, and drowning these indicators in empty talk has been foreseen by some experts.

So, V. Tretyakov in his article *Citizens have something to worry about* (*Literaturnaya Gazeta*, issue of March 28, 2012) writes about the

disputes over the article of K. Zatulin *How to prevent stealing the fruits of victory*, which claims that the danger exists that V.V. Putin and his supporters' victory will be emasculated or stolen. V. Tretyakov is not surprised at such attempts: '*... it feels like everything will carry on this way. Sometimes it seems that Putin succumbs to the pressure of the defeated party. That this text, like a magnifying glass, gathers all the questions in one focus. The focus of choice that Putin will or will not make in the coming weeks*'.

Today it is possible to assume that, apparently, V.V. Putin had a previously elaborated evolutionary version of '*a painful process of formation of a real national elite, for whom their homeland is a community of people united by the common history, culture and traditions, and this elite bears a great responsibility for its present and future*'<sup>1</sup>.

It is crucially important that the split of the power elite that took shape in 2011 didn't go deep and didn't spread, and the anti-system opposition failed to turn into a serious political factor. This opened actual opportunities for the renewal of the composition of the ruling elite, (first of all, in the state power bodies), for the establishment of a coalition of more active structures and groups, which are able of not just proposing solutions, but taking responsibility for their implementation as well.

The new directions of V.V. Putin's activities after his election as President manifest themselves in the expanding scale of anti-corruption measures. The public is aware of the proceedings that have been initiated against former and working officials. The fact that public officials, including MPs, conceal their assets in business is now subject to moral condemnation and legal prosecution. On V.V. Putin's initiative, officials and deputies have been obliged to declare their deposits in foreign banks and real estate abroad.

<sup>1</sup> A. Migranyan. A year after presidential elections. *Izvestia*. 2013. No. 40. Issue of March, 5.

And in this regard, it has to be admitted that a full list of events, covering the first year of V.V. Putin's Presidency, prepared by analysts, includes such contradictory points as Russia's accelerated accession to the World Trade Organization, adoption of the new law on education that envisages the marketization of the national education system, the post-election implementation of the earlier decision concerning the rise in the tariffs for the services of natural monopolies, etc. The controversial points also include the adoption of the federal budget for 2013 and a three-year budget plan for 2013 – 2015 that have been worked out on the basis of the 'fiscal rule' that aggravates the underfunding of the national economy and social sphere and expands the scale of concessional lending to Russia's strategic rivals.

The Presidential Address to the Federal Assembly at the end of 2012 didn't give answers to the following key questions: will the results of the aggressive privatization of state property, carried out in the 'turbulent' 1990-s, be revised? Will the unlimited offshoring of the Russian oligarchs' business be stopped? Will Russia get back what has been stolen from it?<sup>2</sup>

The official statistics shows that last year has already witnessed the decline in the rate of industrial production, which, from the point of view of national economy, is the key indicator of its condition. According to the performance results of the first quarter of 2013, Russia's industry has shown zero dynamics vs. a 4% growth in the first quarter of 2012. In comparison with the fourth quarter of 2012, excluding seasonality, the decline in the industry amounted to 7.1%.

<sup>2</sup> Find more information on the subject in: Boldyrev Yu.Yu. On the 2012 President's Address to MPs and more. *Rossiyskiy Ekonomicheskiy Zhurnal*. 2012. No. 6; Nagorniy A., Konkov N. The process is underway: Russia and the world on the eve of big upheavals. *Zavtra*. 2013. No. 10. March; Housing and communal services go wild. *Literaturnaya Gazeta*. 2013. No. 10 – 11. March; etc.

Targets set in the Decrees of Russia's President as of May 7, 2012  
that were not reflected in the RF Government Resolution 'Main guidelines of activities  
of the Government of the Russian Federation up to 2018' dated January 31, 2013\*

Targets set in Presidential Decrees	Presence in the 'Main guidelines...' of the Government
<b>Decree of the RF President 'On the long-term state economic policy' No. 596 dated May 7, 2012</b>	
1.3-fold increase in the share of hi-tech and knowledge-intensive production in the gross domestic product by 2018 as compared to 2011	Absent
Improvement of Russia's position in the World Bank rating of business environment up to the 50th in 2015 and up to the 20th in 2018	Improvement of Russia's position in the World Bank rating of business environment up to the 20th in 2018 (intermediate value of the indicator for 2015 is absent)
<b>Decree of the RF President 'On the activities for the implementation of the state social policy' No. 597 dated May 7, 2012</b>	
The 1.4 – 1.5-fold increase of real wages by 2018	Creation of favourable conditions for the 1.4 – 1.5-fold increase of disposable incomes from 2013 up to 2018 (substitution of the planned indicator)
Bringing the average salaries of kindergarten teachers to the regional average in the sphere of general education in the specific region	Absent
Increase in the number of highly qualified workers by the year 2020 so that it would amount to not less than one third of the number of qualified workers	Absent
Creation of up to 14.2 thousand jobs for disabled persons annually in the period of 2013 – 2015	Absent
Creation of not less than 5 centres for cultural development in small towns by 2015	Creation of multifunctional centres for cultural development in small and medium-sized towns using modern telecommunication technologies (quantitative indicators are absent)
2-fold increase in the number of exhibition projects realized in the constituent entities of the Russian Federation by 2018	Absent
Increase in the number of children participating in creative activities and events up to 8% of the total number of children by 2018 in order to discover and support young talent	Absent
<b>Decree of the RF President 'On the improvement of state policy in health care sphere' No. 598 dated May 7, 2012</b>	
Reduction of death rate from cardiovascular diseases to 649.4 cases per 100 thousand population	Absent
Reduction of death rate from neoplasms (including malignant) to 192.8 cases per 100 thousand population	Absent
Reduction of death rate from tuberculosis to 11.8 cases per 100 thousand population	Absent
Reduction of death rate in road traffic accidents by 10.6 cases per 100 thousand population	Absent
Reduction of infant mortality, in the first place through its reduction in the regions with a high value of its indicator, to 7.5 per 1000 live births	Absent
Increasing the volume of domestic production of medicines according to the list of strategically important medicines and the list of vital and essential pharmaceuticals up to 90%	2-fold increase in the share of domestic medicines in the volume of consumption by the Russian Federation health care, from 25% up to 50% (substitution of the planned indicator)
<b>Decree of the RF President 'On the measures for the implementation of state policy in the sphere of education and science' No. 599 dated May 7, 2012</b>	
Increase from 3% up to 25% by 2020 in the share of secondary vocational education institutions and higher education institutions, the premises of which are adjusted for educating people with disabilities	Absent

\* The table contains the analysis of Presidential Decrees No. 596–601, 604, 606.

End of the table

Targets set in Presidential Decrees	Presence in the 'Main guidelines...' of the Government
Increase up to 2.44% by 2020 in the share of publications by Russia's scientists in the total number of publications in the world scientific journals included in the WEB of Science data base	Absent
<b>Decree of the RF President 'On the measures for providing the citizens with affordable and comfortable housing and enhancing the quality of housing and communal services' No. 600 dated May 7, 2012</b>	
Increase in the share of borrowed funds in the total volume of capital investments in heat supply systems, water supply and sewerage systems and wastewater treatment up to 30% by 2017	Absent
Increase in the number of granted loans up to 815 thousand a year	Creation of a housing mortgage system available for the majority of population (definite measures for achieving the target indicator are absent)
Provision of Russia's citizens with an opportunity to improve their housing conditions no less than once every 15 years	Absent
Reduction in the price for 1 square metre of living space by 20% through increase in the volume of commissioned economy class housing	Volumes of commissioned housing will increase up to 80 – 110 million square metres a year (measures on reducing the price for 1 square metre of living space are not defined, the class of planned commissioned housing is not stated)
Provision of affordable and comfortable housing to 60% of Russian families willing to improve their housing conditions	Housing problem is proposed to be solved mainly through the large-scale construction of quality and affordable housing, as well as through the enhancement of the quality and reliability of communal services' provision to population (definite measures to achieve the target indicator are absent)
<b>Decree of the RF President 'On the main guidelines of improving the state management system' No. 601 dated May 7, 2012</b>	
Reduction in the average number of appeals from the representatives of business community to the state government body of the Russian Federation (local government body) for obtaining one state (municipal) service connected with entrepreneurial activity to 2 by the year 2014	Absent
<b>Decree of the RF President 'On the further improvement of military service in the Russian Federation' No. 604, dated May 7, 2012</b>	
Provision of housing to the military personnel of the Russian Federation Armed Forces, other forces, military formations and bodies to the full extent in 2013 in accordance with the legislation of the Russian Federation. Formation of the military housing fund by 2013	Completion of the programmes on the provision of military personnel with permanent and military housing (definite measures to achieve the target indicator are absent)
Establishment of money allowances of military personnel at a level not less than the remuneration of employees at the enterprises of the leading sectors of the economy	Absent
Annual increase in the pensions of citizens dismissed from military service by not less than 2% above inflation rate	Absent
Annual increase in the number of military personnel serving under the contract not less than by 50 thousand people, over the period of 5 years	Absent
<b>Decree of the RF President 'On the measures for the implementation of demographic policy in the Russian Federation' No. 606, dated May 7, 2012</b>	
Provision of increase in cumulative birth rate up to 1.753 by 2018	Increase in birth rate (definite measures to achieve the target indicator are absent)
Co-financing, at the expense of federal budget allocations, of expenditure obligations of the subjects of the Russian Federation, emerging at the awarding of payment, in those subjects of the Russian Federation, in which the demographic situation is unfavourable and the value of total fertility rate is below the national average	Introduction of monthly monetary payment for the systematic supporting of families with three or more children in the regions (the principles and necessity of making a list of regions that will receive the co-financing of expenditure obligations are not defined)

A recent forecast by the Ministry of Economic Development (MED) expects the decline in the main indicators of the RF economic development for the current and next years. In particular, GDP growth rates for 2013 have been reduced from 3.6% to 2.4%, industrial production growth rates – from 3.6% to 2%, growth rates of investments in fixed capital – from 6.5% to 4.6%. At the same time, MED Head Andrey Belousov points out that in autumn 2013 Russia's economy will run a risk of going into recession if the government does not undertake special measures to stimulate the economy<sup>3</sup>.

Instead of taking urgent steps for the revival of economy, Russia's leading business companies continue, in spite of the Cyprus lessons, to withdraw assets abroad. Only for the first quarter, almost 26 billion U.S. dollars (over 750 billion rubles) have been taken away from Russia<sup>4</sup>. A variety of mechanisms are used for this purpose, and first of all, the placement of the largest corporations, located in Russia and increasing their borrowings in foreign banks, under foreign control.

According to the specified data of the Central Bank, the external debt of the Russian Federation at the beginning of 2013 amounted to nearly 623 billion U.S. dollars. In 2012 it increased by 93 billion U.S. dollars, or 17.2%. The annual growth of Russia's external debt in the ruble equivalent amounts to a quarter of the 2013 federal budget<sup>5</sup>.

The pre-crisis level of gross regional product still hasn't been restored in some of Russia's regions. The gap between the regions by the volume of GRP production per capita continues to increase. The incomes of a considerable part of Russian citizens are barely enough to satisfy even their primary needs.

The issues of formation of sub-federal budgets are becoming more acute. The increasing share of funding the state's social

obligations is being shifted onto them. For instance, the execution of the social programme, contained in the Presidential decrees as of May, requires about 5 trillion rubles, including for the increase of public sector workers' wages – 2.6 trillion rubles, out of which 1.5 trillion rubles should be allocated by the RF constituent entities mainly from their own revenues. Additional financial support, envisaged for these purposes in the federal budget, does not compensate for even one-third of the territorial budgets' expenditures. As a result, the debt burden of the regional budgets is increasing continuously (from 600 billion rubles in 2008 up to 1600 billion rubles in 2012). 19 regions had the debt burden exceeding 50% of their own revenues in 2012, 4 regions – in 2008<sup>6</sup>.

It should be noted that on the part of V.V. Putin the estimation of the federal and regional officials' performance is becoming more severe. The graveness of warnings expressed to D.A. Medvedev's Government is proved by the fact that one such episode was shown in Dmitry Kiselev's programme '*Vesti Nedeli*' (News of the Week) on the Russian Television Channel Rossiya-1: the President held a meeting on the rundown housing issues, which took place in Elista on April 16, 2013, and it was attended by 4 Government ministers, 4 governors and a number of federal and local officials. The Head of State, speaking at the closed part of the session, criticized government officials and heads of the regions for their sluggishness in implementing the decrees of May, 2012 that contain his election promises: *'How do we work? The quality of the work is pitiful, everything is done superficially. If we continue this way, we won't do a thing! But if we work persistently and competently, we will make it. Let's raise the quality of our work. It ought to be done! If we don't do it, it will have to be admitted that it is either me working inefficiently or it is you*

<sup>3</sup> Website of the business news agency PRIME.

<sup>4</sup> Pravda newspaper. Issue of April 11, 2013.

<sup>5</sup> Ibid.

<sup>6</sup> For more details see: Ilyin V.A., Povarova A.I. Problems of government management efficiency. Budget crisis in the regions: monograph. Vologda: ISED T RAS, 2013.

*failing to do your job properly. Take notice that, judging by the current situation, I, personally, lean toward the latter. I think it's clear. No one should have any illusions*<sup>7</sup>.

Such an unambiguous reaction of the President to the performance results of the Russian executive power in the post-election year clearly indicates the graveness of the

current situation and expresses a high degree of anxiety on the part of the Head of State concerning the future of his obligations to his voters. Those very obligations, the fulfillment of which will ensure the enhancement of the quality of life, the quality of government, the quality of the development of civil society and, ultimately, the competitiveness of the country.

As in the previous issues, we publish the results of the recent public opinion monitoring of the state of the Russian society\*.

The following tables show the dynamics of some parameters of social well-being and socio-political sentiments in the Vologda Oblast for the period from December 2011 to April 2013.

Table 1. Estimation of power activity  
(How do you assess the current activity of..?)

Vertical power structure	Approval in % to the total number of respondents									Dynamics indices, Apr. 2013 to Apr. 2012	Dynamics indices, Apr. 2013 to Feb. 2013
	Dec. 2011	Feb. 2012	Apr. 2012	June 2012	Aug. 2012	Oct. 2012	Dec. 2012	Feb. 2013	Apr. 2013		
The President of the RF	51.7	47.3	50.3	54.5	53.7	50.9	53.3	55.5	55.5	1.10	1.00
The Chairman of the Government of the RF	52.9	52.6	51.7	49.5	48.5	47.1	48.3	47.9	48.5	0.94	1.01
The Governor of the Vologda Oblast	41.9	37.7	37.7	44.7	45.3	43.6	42.5	43.0	44.4	1.18	1.03

Vertical power structure	Disapproval in % to the total number of respondents									Dynamics indices, Apr. 2013 to Apr. 2012	Dynamics indices, Apr. 2013 to Feb. 2013
	Dec. 2011	Feb. 2012	Apr. 2012	June 2012	Aug. 2012	Oct. 2012	Dec. 2012	Feb. 2013	Apr. 2013		
The President of the RF	35.7	35.7	33.3	28.9	31.1	32.1	34.6	29.2	31.5	0.95	1.08
The Chairman of the Government of the RF	32.7	32.0	33.1	31.5	34.5	32.8	35.9	34.4	35.7	1.08	1.04
The Governor of the Vologda Oblast	36.1	33.8	32.6	31.8	32.7	33.7	35.4	33.8	34.9	1.07	1.03

Notes. Hereinafter, it is pointed out: green – improvement; yellow – without changes; red – change for the worse.

<sup>7</sup> NEWSru.com. Russia's news. Wednesday, April 17, 2013.

\* The polls are held six times a year in Vologda, Cherepovets, and in eight districts of the oblast (Babayevsky District, Velikoustyugsky District, Vozhegodsky District, Gryazovetsky District, Kirillovsky District, Nikolsky District, Tarnogsky District, Sheksninsky District). The method of the survey is a questionnaire poll by place of residence of respondents. The volume of a sample population is 1500 people aged from 18 and older. The sample is purposeful and quoted. Representativeness of the sample is ensured by the observance of the proportions between the urban and rural populations, the proportions between the inhabitants of settlements of various types (rural communities, small and medium-sized city), age and sex structure of the adult population of the region. Sampling error does not exceed 3%.

The results of the ISED T RAS polls are available at [www.vsc.ac.ru](http://www.vsc.ac.ru)

Table 2. What party expresses your interests?

Party	Dec. 2011	Elections for the State Duma 2011, fact	Feb. 2012	Apr. 2012	June 2012	Aug. 2012	Oct. 2012	Dec. 2012	Feb. 2013	Apr. 2013	Dynamics indices, Apr. 2013 to Apr. 2012		Dynamics indices, Apr. 2013 to Feb. 2013	
United Russia	26.1	<b>33.4</b>	26.0	28.3	31.9	31.4	26.6	30.4	30.5	28.5		<b>1.01</b>	<b>0.93</b>	
KPRF	13.4	<b>16.8</b>	10.1	11.4	10.0	9.5	10.4	12.2	9.7	11.0	<b>0.96</b>			<b>1.13</b>
LDPR	9.2	<b>15.4</b>	9.1	9.5	7.7	6.7	6.8	7.2	6.3	7.1	<b>0.75</b>			<b>1.13</b>
Just Russia	13.9	<b>27.2</b>	10.2	8.2	4.6	5.6	5.5	5.5	5.3	5.1	<b>0.62</b>		<b>0.96</b>	
Other	4.6	-	3.1	3.2	2.8	2.3	2.4	3.5	3.5	3.4		<b>1.06</b>	<b>0.97</b>	
No party	23.9	-	25.7	28.6	31.5	33.2	36.1	32.5	35.3	37.1		<b>1.30</b>		<b>1.05</b>
It's difficult to answer	9.0	-	15.8	10.8	11.6	11.1	12.3	8.7	9.3	7.8	<b>0.72</b>		<b>0.84</b>	

Table 3. Estimation of social condition

In % to the total number of respondents									Dynamics indices, Apr. 2013 to Apr. 2012	Dynamics indices, Apr. 2013 to Feb. 2013		
Dec. 2011	Feb. 2012	Apr. 2012	June 2012	Aug. 2012	Oct. 2012	Dec. 2012	Feb. 2013	Apr. 2013				
<b>What would you say about your mood in the last days?</b>												
Usual condition, good mood												
64.2	62.9	63.4	69.0	71.3	69.0	68.0	66.6	68.6		<b>1.08</b>		<b>1.03</b>
Feeling stress, anger, fear, depression												
30.2	33.5	30.2	23.4	23.3	25.5	26.5	30.5	26.0	<b>0.86</b>		<b>0.85</b>	
<b>What statement, in your opinion, suits the current occasion best of all?</b>												
Everything is not so bad; it's difficult to live, but it's possible to stand it												
78.6	74.9	76.5	77.3	73.2	77.5	79.9	75.5	77.9		<b>1.02</b>		<b>1.03</b>
It's impossible to bear such plight												
14.1	18.1	16.8	13.6	17.0	15.6	13.7	16.1	16.5	<b>0.98</b>			<b>1.02</b>
Consumer Sentiment Index												
85.6	89.8	90.1	93.4	92.3	91.7	91.7	92.3	90.4		<b>1.00</b>	<b>0.98</b>	
<b>What category do you belong to?</b>												
The share of people who consider themselves to be poor and extremely poor												
41.9	43.2	43.6	45.0	44.2	44.1	47.0	45.9	48.2		<b>1.11</b>		<b>1.05</b>
The share of people who consider themselves to have average income												
42.2	44.9	46.5	45.3	43.4	44.7	43.4	44.3	42.6	<b>0.92</b>		<b>0.96</b>	

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As in the previous issues, we publish the journal articles rating in this one.

The first ten articles, published in 2010-2013, according to the frequency of their viewing for the recent 12 months (May 2012 — April 2013)

Rating	Article	Total time of reading for the recent 12 months, minutes	Total time of reading, for the whole accounting period*, minutes	Number of views for the whole accounting period	Number of views for the recent 12 months	Number of views for the recent 3 months	Average time of viewing for the whole accounting period*, minutes	Issue	Release date	Authors
1	Agriculture of the Vologda Oblast on the eve of Russia's accession to the World Trade Organisation	7034	7034	210	210	38	34	No.21	June 2012	Anishchenko Nikolay Ivanovich Ivanova Marina Nikolayevna Bilkov Valentin Alekseyevich
2	Modernization of the Russian economy as the imperative of the country's prospective innovative development	3088	5166	190	98	5	27	No.16	August 2011	Kondakov Igor Anatolyevich
3	Threats to the region's economic security and the ways to overcome them	1223	3282	167	53	12	20	No.14	April 2011	Uskova Tamara Vitalyevna Kondakov Igor Anatolyevich
4	Demographic problems of the Republic of Belarus and their solutions	1069	1403	100	76	5	14	No.16	August 2011	Shakhotko Lyudmila Petrovna
5	Fiscal federalism and inter-budget relations in the Russian Federation	925	2835	204	58	5	14	No.13	February 2011	Avetisyan Ishkhan Artashovich
6	Methodology of the comparative estimation of the scientific and technical potential of the region	783	3500	184	36	2	19	No.12	December 2010	Zadumkin Konstantin Alekseyevich Kondakov Igor Anatolyevich
7	Assessment of the critical threshold values of the indicators of the state of Russian society and their use in the socio-economic development management	725	725	37	37	8	20	No. 22	August 2012	Glazyev Sergey Yuryevich Lokosov Vyacheslav Veniaminovich
8	Topical issues of the improvement of intergovernmental dealings in the system of local government	628	698	44	40	1	16	No.19	March 2012	Uskova Tamara Vitalyevna Pechenskaya Mariya Aleksandrovna
9	Problems of sustainable development of rural areas in the Vologda Oblast	538	573	40	37	8	14	No.17	October 2011	Shestakov Sergey Aleksandrovich
10	Public-private partnership in the scientific and technological sphere of defense industry: Russian and foreign experience	503	503	36	36	4	14	No.20	April 2012	Nikolayev Aleksey Yevgenyevich

\* Account of the site's viewing has been carried out since 2009, December, 12.