

On the role of the evolutionary and institutional theory in the solution of regional economic issues

(the 4th all-Russian summer school of young
researchers specializing in evolutionary and institutional economics)

The relevant and urgent issues that the country and its regions have to face require that federal and regional state authorities intensify their efforts to find ways of their solution and apply a wide range of methods and tools for management of socio-economic processes.

In the latest decades the institutional approach to the management of socio-economic processes has been widely acknowledged. Beginning from the 1970s–1980s the world economic science has been using it more and more extensively. According to this approach, the institutions in the widest sense are considered as formal

and informal “rules of the game” ordering and structuring the human activity. It is worth noting that quite a few representatives of institutional economics were awarded the Nobel Prize in Economics (R. Coase, D. North, R. Fogel).

Russia also shows an increasing interest in evolutionary and institutional economics. We agree with L. I. Abalkin who points out that at the present stage of development “the application of universal schemes of financial stabilization that inevitably ignore the originality of the country’s specific historical conditions is inefficient... Parameters such as historical traditions, moral and ethical



values of the population, sense of justice, in short, everything that serves as institutional components of a socio-economic system is of equal importance for growth¹.

Judging by practical experience, the management of socio-economic development in the region from the positions of the institutional approach requires, first of all, that the research institutions that define the “rules of the game” and motivation of activity of social subjects be included in the subject of the research.

Second, it is necessary to consider the relationship between political and economic institutions².

Third, the endogenous and exogenous factors in the formation of institutional environment should be subject to detailed analysis in development management. Endogenous factors are usually considered as economic factors in the development of economic systems of different levels, and, above all, the economic efficiency

of technology progress. This explains, in particular, special discussions on the issues of regional scientific and technological potential. Exogenous factors are non-economic social and political factors in regional development that are crucial in the functioning of public institutions.

Fourth, it is necessary to understand the relationships and contradictions between formal and informal institutions. Thus, one should agree with A. Mosesyan that “... in order to establish an effective economic system in Russia it is necessary to create the institutions that would be adequate for the current level of technological and economic development, taking into account the long-standing traditions and rules of economic activities”³.

The Center for Evolutionary Economics, headed by RAS Academician V.I. Maevskii was founded for the purpose of organizing the research into fundamental issues of evolutionary economic theory, including methodological issues, institutional and structural-and-technological change, socio-economic dynamics and reproductive processes. Prominent Russian economists, for instance, the full members of the Russian Academy of Sciences S.Yu. Glazyev, R.S. Grinberg, V.L. Makarov, V.M. Polterovich, A.Ya. Rubinshtein and others, who represent the leading academic institutions such as the RAS Institute of Economics, the RAS Central Economics and Mathematics Institute and so on, take active part in the work of the Center.

¹ Abalkin L.I. *Institutsional'no-evolyutsionnaya teoriya i ee prikladnye aspekty* [Institutional-Evolutionary Theory and Its Applied Aspects]. *Voprosy ekonomiki* [Issues of Economics], 1997, no. 3, pp. 4-5.

² According to T.I. Zaslavskaya, the political institutions governing regional political and economic cooperation in Russia include the administrative-territorial division of the state, the vertical of power of the local government headed by the Center. In her opinion, “the political institute of the power hierarchy vertical of the regional government, headed by the Center is being constantly improved. While maintaining the general principle of interaction between regional hierarchy levels, it is developing in the direction of more liberal mutual rights and obligations of the management levels with regard to the interests of the population living on their territories and to the contractual basis intensification with the identification of the competences of different levels of regional governance”. See: *Sotsial'naya traektoriya sovremennoi Rossii: Issledovaniya Novosibirskoi ekonomiko-sotsiologicheskoi shkoly* [Social Trajectory of Modern Russia: Novosibirsk Economic-Sociological School Research]. Executive Editor T.I. Zaslavskaya, Z.I. Kalugina. Novosibirsk: Nauka, 1999. 272 p.

³ Movsesyan A. *Institutsional'nyi podkhod k strategii sotsial'no-ekonomicheskogo razvitiya* [Institutional Approach to the Strategy for Socio-Economic Development]. *Ekonomist* [The Economist], 1998, no. 4, pp. 24-29.

The promotion of evolutionary methodology in economic research is an important direction of the Center's work. Since 2008 the Center has been organizing the All-Russian Summer School for Young Researchers in the Field of Evolutionary and Institutional Economics.

The session of the Fourth All-Russian Summer School for Young Researchers in the Field of Evolutionary and Institutional Economics organized by the Center for Evolutionary Economics and the Institute of

Socio-Economic Development of Territories of the Russian Academy of Sciences was held September 9–12, 2014 in Vologda. RAS Academician *V.M. Polterovich* and Doctor of Economics, Professor *V.A. Ilyin*, who delivered their speeches at the opening session, pointed out the importance of this event for the region and the city, the increased interest in this event on the part of young researchers and practitioners.

Leading Russian scientists, who represent evolutionary and institutional economics,

Topics of the lectures delivered at the all-Russian Summer School for Young Researchers in the Field of Evolutionary and Institutional Economics

№ n/n	Lecturer	Topic of the lecture
1.	V.I. Maevskii – RAS Academician, Director of the Center for Evolutionary Economics, RAS Institute of Economics	Main provisions of the new theory of reproduction
2.	V.M. Polterovich – RAS Academician, Deputy Director of the Moscow School of Economics at Lomonosov Moscow State University, Head of the Section for Macroeconomics at the RAS Institute of Economics, Honored Professor of the Russian Economic School	Economic reforms: prerequisites for success and reasons of failure
3.	B.G. Kleiner – RAS Corresponding Member, CEMI RAS Deputy Director	What economy does Russia need?
4.	E.V. Popov – RAS Corresponding Member, Rector of the Higher Economic School under the Institute of Economics, the Ural Branch of RAS	Transactional theory of institutions
5.	B.A. Erznkyan – Doctor of Sociology, Professor, Head of the Laboratory for Economic Development Strategy at CEMI RAS	Evolution of institutions, social structures and codes
6.	R.M. Kachalov – Doctor of Economics, Professor, Head of the Laboratory for Publishing and Marketing at CEMI RAS	Management of institutional deformations risks
7.	S.G. Kirdina – Doctor of Sociology, Professor, Head of the Sector for Evolution of Socio-Economic Systems at the RAS Institute of Economics	Specifics of evolutionary and institutional theories in Russia
8.	V.N. Livshits – Doctor of Economics, Professor, Head of the laboratory for Analyzing the Efficiency of Investment Projects at the RAS Institute for System Analysis	About the necessity of a paradigm change in the state policy of Russia The assessment of efficiency of investment projects
9.	R.M. Nureev – Doctor of Economics, Professor, Chair of the Macroeconomics Department at the Financial University under the Government of the Russian Federation	Olympic political-and-business cycle: development trends
10.	T.V. Uskova – Doctor of Economics, Deputy Director for Science at the RAS Institute of Socio-Economic Development of Territories	Contemporary institutions of development of territories: theoretical foundations and practice
11.	A. A. Shabunova – Doctor of Economics, Deputy Director for Science at the RAS Institute of Socio-Economic Development of Territories	Demographic development in Russia: transformation of institutions

participated in the work of the School as lecturers. Among them were RAS academicians *V.I. Maevskii* and *V.M. Polterovich*, RAS corresponding members *B.G. Kleiner* and *E.V. Popov*, doctors of economics *B.A. Erznkyan*, *R.M. Kachalov*, *S.G. Kirdina*, *V.N. Livshits* and *R.M. Nureev*. Doctors of economics *T.V. Uskova* and *A. A. Shabunova*, who represented the Institute of Socio-Economic Development of Territories of the Russian Academy of Sciences, delivered their lectures on the practical application of the institutional approach in the regional economy. The topics of the lectures are presented in the *table*.

Representatives of research institutes and higher educational institutions from Moscow, Syktyvkar, Apatity, Yekaterinburg, Vologda and Cherepovets, representatives of the Vologda Oblast Government and Vologda City Administration attended the lectures.

The participants of the event assessed the level of its organization and the results of the Summer School as high: the average rating was 9.6 and 9.5 points respectively (on the 10-point scale).

The participants of the School see the usefulness of this activity primarily in the opportunity to meet and exchange ideas with leading scientists in the field of evolutionary and institutional economics, and also to broaden their horizons and acquire new knowledge and ways of its practical application.

The All-Russian Conference of Young Researchers "Evolutionary and Institutional Economics: Theory and Practice" was held on the last day of the Summer School. The conference was organized in three sections.

Over 30 people took part in the work of Section 1; they discussed a wide range of issues devoted to the development of economic and financial institutions in Russia. A significant number of papers dealt with the issues of the production sphere. In particular, *A.N. Anishchenko*, Junior Research Associate at the RAS Institute of Socio-Economic Development of Territories (Vologda), presented an analysis of the effectiveness of state support for the agro-industrial complex in the Vologda Oblast municipalities. *A.A. Biev*, Senior Research Associate at G.P. Luzin Institute of Economic Problems of Kola Scientific Center of RAS (Apatity), talked about the issues of upcoming gasification of the Murmansk Oblast.

A.A. Gasnikova, Ph.D. in Economics, Research Associate at G.P. Luzin Institute of Economic Problems of Kola Scientific Center of RAS (Apatity), focused on the specifics of energy supply in the Northern regions. *M.A. Shishelov*, Graduate Student, Junior Research Associate at the Institute of Socio-Economic and Energy Problems of the North, Komi Scientific Center, Ural Branch of RAS (Syktyvkar) substantiated the factors promoting the performance efficiency of the forest industry. *D.A. Polzikov*, Research Associate at the RAS Institute of Economic Forecasting (Moscow), spoke about the impact of price proportions on the development of Russia's agriculture. The report of *V.S. Uskov*, Junior Research Associate, Deputy Head of the Department of Editorial-and-Publishing Activity and Science-Information Support at the RAS Institute of Socio-Economic Development of Territories (Vologda), was devoted to modern

development institutions of the regional fruit-and-berry complex. *A.V. Galukhin*, Junior Research Associate at the RAS Institute of Socio-Economic Development of Territories (Vologda), spoke about the issues of stability of the region's budget system and ways of their solution.

Two reports touched upon the issue of investment development in the regions. *N.Yu. Ataeva*, Lecturer at the Vologda State University, analyzed the investment activity in the region, and substantiated the prospects of investment activity; *A.N. Chapargina*, Research Associate at G.P. Luzin Institute of Economic Problems of Kola Scientific Center of RAS (Apatity), revealed the institutional conditions of transformation of savings into an investment resource in the region.

The participants also discussed institutional aspects of governance at the municipal level. This research direction was covered by junior research associates from the RAS Institute of Socio-Economic Development of Territories (Vologda): *N.V. Voroshilov* justified the necessity to use development institutions depending on the level of socio-economic development of territories; *S.A. Kozhevnikov* outlined the issues of implementation of public-private partnership in housing and utilities services in the region; *A.A. Zachesov* spoke about the role of the institute of social corporatism in the transformation of urban environment. *M.S. Kruglov* and *A.I. Volynskii*, graduate students at the RAS Institute of Economics (Moscow), highlighted the impact of economic risks on the formation of institutions.

The session of [Section 2](#) addressed the issues of the formation of the technological

mode in the context of globalization. Over 20 young researchers from Moscow, Cherepovets and Vologda attended the session.

E.A. Mazilov, Junior Research Associate, Deputy Head of the Innovation Economics Department at the RAS Institute of Socio-Economic Development of Territories (Vologda), presented his report on modern methods and mechanisms of development of the region's industry. The representatives of the RAS Institute of Socio-Economic Development of Territories (Vologda) *V.N. Makoveev*, Junior Research Associate and *R.Yu. Selimenkov*, Deputy Head of the Department of the Issues of Socio-Economic Development and Management in Territorial Systems talked about the institutions of innovation development of regional socio-economic systems.

A.A. Shcherbakova, Ph.D. in Economics, Lecturer at the Vologda State University, informed the audience about the possibilities of transaction costs optimization in technology commercialization. The reports of *A.V. Velichkina* (Vologda) and *A.S. Eremeeva* (Cherepovets), junior research associates at the RAS Institute of Socio-Economic Development of Territories, were devoted to the issues of tourism and road infrastructure development. *K.A. Zadumkin*, Ph.D. in Economics, Head of the Department for Strategic Planning and Investment Policy of the Vologda City Administration, considered the experience to implement the mechanism of public-private partnership. The environmental problems of regional development and management of natural risks were raised in the reports of *A.P. Kuznetsov*, Junior Research Associate

at the RAS Institute of Socio-Economic Development of Territories (Vologda) and *N.E. Terent'ev*, Ph.D. in Economics, Senior Research Associate at the Institute for Economic Forecasting of the Russian Academy of Sciences. *N.P. Kashintsev*, Junior Research Associate at the RAS Institute of Socio-Economic Development of Territories (Vologda) disclosed the results of modeling of social wellbeing of the region's population.

More than twenty people took part in the work of Section 3, devoted to the theory of evolutionary and institutional economics in solving social problems, of them thirteen scientists delivered their reports.

K.N. Kalashnikov, Ph.D. in Economics, Research Associate at the RAS Institute of Socio-Economic Development of Territories (Vologda) focused on the specifics of marketing in the market of medical services. the Junior research associates of the Institute spoke about the functioning of social institutions: *A.V. Popov* – about the minimum wage as a tool to regulate labor behavior; *A.I. Rossoshanskii* – about the connection of socio-economic income inequality and modernization processes quality; *A.M. Panov* – about the aspects of employment institutionalization.

M.V. Morev, Ph.D. in Economics, Head of the Laboratory for Studies of Social Processes at the RAS Institute of Socio-Economic Development of Territories (Vologda) presented the main trends in social health of the Russian society. ISED T RAS junior research associates *A.V. Korolenko* and *B.N. Barsukov* considered negative quality changes in the demographic processes, *L.N. Fakhradova* – living standards of socially

disadvantaged categories, *O. Yu. Mazepina* – the quality of life of the population as an economic category.

D.M. Kazakova, Graduate Student at the Institute of Economics, Ural Branch of the Russian Academy of Sciences (Yekaterinburg), disclosed the role of the new institutional economics in the context of the modern economic paradigm. *V.S. Orlova*, Ph.D. in Economics, Lecturer at the Vologda State University substantiated the directions to develop health tourism. *E.D. Razgulina*, Junior Research Associate at the RAS Institute of Socio-Economic Development of Territories (Vologda) spoke about social partnership, which is a form of government-business interaction. *O.V. Barashkova*, Graduate Student at the Vologda State Dairy Farming Academy Named after N.V. Vereshchagin, suggested the ways to improve the efficiency of the use of the resource potential of dairy farming agricultural enterprises.

In our opinion, we should note the practical importance of this event. It expands interregional scientific contacts; makes it possible to test methods of the evolutionary and institutional analysis, to implement research results in the educational process. This is also confirmed by the conference participants' assessments – 9.6 points out of 10.

In general, the conference participants have concluded that the institutional transformation of Russia in the market transformations period makes the scientific community reconsider the relevant issues for the formation of a new technological paradigm, requires the development of

economic, financial and social institutions, interregional cooperation in the context of globalization, the prospects of socio-economic development of the country. Thus, it is important to attract young scientists to the development of theoretical and methodological approaches and methods of evolutionary and institutional economics and the analysis of modern problems of the Russian society. The conference participants give the following recommendations to solve these problems.

The scientific community should continue the research on the development of methodological approaches and tools of evolutionary and institutional economics, aimed at upgrading and restructuring the regional economy with a focus on the accelerated development of industries that form a basis for the new technological mode.

The regional government should follow the modern development concepts ensuring comprehensive development of the economy and the region, increase own tax revenues,

consolidate the income basis, use the potential of the territorial development centers that promote access of the population to quality education and health care more actively.

The representative and executive bodies, research institutions, higher education establishments should intensify their analytical, expert and organizational activities in order to identify the most effective institutional forms and methods of the socio-economic management.

It is necessary to develop cooperation between the authorities, business, science and mass media and to spread the positive experience to set up and manage social and economic institutions.

The participants appreciate the results of the joint work and consider it useful to hold such events on a regular basis. There are good grounds for believing that the knowledge and experience gained by the participants of the Summer School and the research-to-practice conference will contribute to the economic and social modernization of the Russian regions.

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