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**NATIONAL RISKS WITHIN INSTITUTIONAL TRANSFORMATION:  
SOCIO-ECONOMIC ASPECTS**

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**Abstract.** The article examines the institutional conditions and factors of national risk formation in the context of national economy development. The author is focused on the social aspects of the institutional environment transformation, the role of government, business and society at national risk management.

**Keywords:** national risks; human and social capital; formal and informal institutions; institutional transformation; socio-economic development.

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**НАЦИОНАЛЬНЫЕ РИСКИ В УСЛОВИЯХ ИНСТИТУЦИОНАЛЬНОЙ  
ТРАНСФОРМАЦИИ: СОЦИАЛЬНО-ЭКОНОМИЧЕСКИЕ АСПЕКТЫ**

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**Аннотация.** В статье рассматриваются институциональные условия и факторы формирования национальных рисков в контексте развития национальной экономики. Автором особый акцент сделан на социальные аспекты трансформации институциональной среды, роль государства, бизнеса и общества в управлении национальными рисками.

**Ключевые слова:** национальные риски; человеческий и социальный капитал; формальные и неформальные институты; институциональная трансформация; социально-экономическое развитие.

Since the mid-80s of the last century the economy of the USSR, and since 1991 - the economy of Russia is characterized by a greater openness. This phenomenon is a consequence of the general laws of modern society in the context of the economic space globalization and a specific policy that Russia started to conduct - the policy of a sustainable entry into the world economy.

Against the background of the obvious advantages of the «iron curtain» elimination and, as a consequence, the development of a common economic space, not only economic relations but also informal institutions are transformed: the values of life, morality and ethics, the attitude towards the government, national traditions and national history. The openness of the national economy, as the experience of nearly three last decades shows, not only contributes to a social and economic growth of the country, but also to the onset of different kinds of «imported» values on the background of the

problems ignored by society and associated with the formation of a common national idea. In these terms many foreign «recipes» of social and economic system of Russia improvement and development make a certain effect on the national consciousness, provide fertile ground for the denial of the need to take into account the identity of economic life in our country, its fundamental differences, including the differences from the developed economy countries.

However, the pride in one's country, its people, the love to the fatherland «is not born in a vacuum». Certain objective and subjective factors influencing the state of patriotism in society within all its forms are the major ones here.

It is known that only three countries in the world - Russia, Canada and the United States almost have no problems with the lack of natural resources. On the other hand, according to the official statistical data on values of quality of life Russia is

far behind dozens of countries [1]. In this regard, a number of issues appears.

1. Why did the national economy can not compete with many countries of the world?

2. Does the so-called «human capital» of the national economy deserve some respect, the economy which is often not perceived as the main productive force, able to provide crucial economic growth?

3. Whether the modernization and the transition strategy to an innovative path of economic development is justified?

These and other issues are systemic ones, the answers to these issues are not as simple as it may seem. In this regard, it is worth noting that:

First of all, economic theory is not accidentally presented by the coexistence of different, sometimes opposing schools, the search for «consensus» among which is associated with the formation and the development of new economy;

Secondly, the practical embodiment of economic school ideas in the economic life of society is in the content of performed economic policy;

Thirdly, the nature of economic policy and its concretization in the spatial and temporal framework is the essential issues of economic theory not only as a science but as a discipline which is not compulsory for all professions of higher education institutes according to current social standards.

Russian society is in a deep crisis. It is systemic in nature and covers not only economy, but also politics, formal and informal institutions, the activities of many organizations and social institutions.

The constructive solutions in the field of patriotism development among the society are in the institutional environment of modern society. They are formed and implemented at an angle of a purposeful management by socio-economic factors - objective and subjective ones.

Objective factors are associated with the realities of economic life, the content of conducted economic policy at all levels of government: federal, regional and local one.

An adequate assessment of the current status by society in formal institutions is impossible without a high level of education among the population. Education is considered not only as good education received in educational institutions, but also the educational level of an individual, which allows to think, analyze, formulate conclusions and get self education. It is necessary for an extensive development of a person's culture - his education, health, culture, production, the culture of life. Thus, we approach to the subjective factors of patriotism development, which

have a direct impact on the consciousness of an individual and society as a whole.

The labour migration of population, the import and export of capital, the export and import of goods, the «brain drain», the use of English as an international language - all this are not the exhaustive effects of the modern Russian society which in many ways, to the contrary, have an impact on the content of patriotism.

Only the highest consciousness, the coexistence of national and international could eventually determine the level of Russian people patriotism. It is the result of all public and social institutions development that perform multiple function of an individual development - his education, training, self-actualization. In particular, a crucial role in these processes is played by the state social and economic policies at all levels of government, the institution of family, the social responsibility of the business sector, the social sphere of economy.

At the same time, it should be emphasized that any positive trends in the field of socio-economic development of a country and its regions always have positive impacts not only on the quality of life values, but also on informal institutions of an economic space, social relations, social and human capital.

On the other hand, the state of social capital influences economic growth. Modern economic science proves that the formation of special informal institutions - a new type of culture, based on a particular culture - the culture of social community and solidarity contribute to the progressive development of social capital, which, in its turn, has a positive effect on the expanded reproduction of aggregate human capital, economic growth, the increase of life quality in society [2]. However, it should be noted that an opposite situation is also possible: the households of the Western type of civilization the formal resources, rules and procedures are more significant and may predominate in social relations. The countries and regions with a high social capital are less acute unresolved social and economic problems. The macro environment in these countries is more stable, they develop progressively, the patriotism of the people is vividly pronounced.

The processes of social capital production and consumption are carried out only in the sphere of social interactions of any subjects. These interactions always have the form of services and operate in the service sector [3].

Social and human capital is closely related directly and indirectly. Human capital is always produced as the result of a complex interaction of

internal and external social relations. It is not able to replicate in a domestic system. Numerous examples prove this. From this point of view a social capital is a primary one and human capital is a secondary one.

On the other hand, the growth of human capital in a society makes a positive impact on the development of its social capital. The more intelligent, professional, cultural level of social development is at all things being equal the more understanding concerning the need to strengthen social cohesion - the process of socialization, unity and joint solution of many social and other problems.

The increase (decrease) of social and human capital at all levels of economy management is directly proportional. The management of social capital factor functioning is the management of human capital factor functioning at the same time [4].

Social capital performs several important functions: socialization, informatization, institutionalization, accounting and control, economic, socio-political, synergistic, intellectualization, innovative economic development and human capital reproduction. The development of social capital is the condition for the reproduction of human capital.

One should consider the following things during the analysis of human capital reproduction process: the total human capital (of the world community, a country, a region); the human capital within this sphere of activity (business entities of one branch or allied industries); the human capital of a household; the human capital of a family (including the nucleus one, i.e., the with minor children); an individual human capital - a particular individual.

In the case of human capital reproduction we need to recognize that in essence the thing is about the reproduction of a man as a bio-cultural individual. In this sense, the biological and social factors of population reproduction take place. They are the object of study not only economic, but also historical, philosophical, cultural, sociological and other fields of science. At that one should recognize the following fields of research as the most relevant ones: marriage, family and its historical types; the role of marriage and family relations in the reproduction of a man; the production of a man and the genesis of moral consciousness; the interconnection of material and spiritual aspects in the reproduction of a man; the role of ethnicity as a type of a social subject for the reproduction of a man; the impact of race, nationality on the reproduction of an aggregate human capital; the ratio of an ethnic and a class structure in the reproduction

of a human capital at the level of the national economy; socio-cultural and ethno-cultural nature of cultural production, etc.

The structural elements of an individual human capital are represented by the reproduction of his biophysical capital; intellectual capital; and social capital [5].

The biophysical human capital is usually represented by the life of a person - his physical and psychological potential. Biophysical capital may take a significant share of human capital and be very costly. Traditionally, the problem of biophysical capital increase is considered from the standpoint of the healthcare system efficiency, which largely depends on the investment policy of this industry. However, one should recognize the equal importance of physical culture and sports, healthy lifestyle in this issue, including a common nutrition culture [6].

The intellectual capital of a person is formed and increased in formal and informal learning and is presented by knowledge, information and creative abilities. It depends on the original and developed abilities of a man during the process of upbringing.

The intellectual capital of a person is determined by experts as the system of characteristics, the most important of which are: general and professional training; the ability to provide the best option for a problem solution (including life, home issues - beyond working hours); possession of tactical abilities; the realization of taken decision implementation; initiative; flexibility and efficiency; the ability to self-development (including self-correction); steadiness; independence; the ability to take responsibility and the delegation of authorities. Taking into account the multifactor approach their hierarchy and importance is determined in fact.

An important component of human capital is the social capital of an individual - the potential of his social interaction, or the interaction with the social environment.

The State performs a major role in the accumulation of human capital, the growth of its identity. The content of social relations depends largely on the effectiveness of the government social policy - in education, healthcare, culture, physical education and other social sectors.

In order to stabilize and increase the population in a country and regions, to increase life expectancy, to improve the quality of population health by one of the priorities in the state social policy is the creation of a system that ensures the access to medical aid, the effectiveness of health care services, the amount, types

and the quality of which will correspond to the level of morbidity and population needs, to the advanced achievements of medical science. In the area of physical culture development among the population it is necessary to create favorable conditions for the mass orientation of citizens to a healthy lifestyle, including physical culture and sports, the development of sports infrastructure. According to leading Russian experts, the state social and economic policy in the field of education should be aimed at the increase of the qualitative education availability for the current stage of society development that meets the needs of each person. Within the culture development a priority trend of the state policy should be the development and the implementation of cultural and spiritual potential of every individual and society as a whole, and the maximum availability shall be ensured for this, the quality of the relevant socio-cultural services, the preservation and the promotion of cultural heritage of all peoples of Russia and the fullest possible use of cultural potential shall be provided [7]. In order to improve the organizational and economic mechanisms, aimed at the development of culture the joint efforts at all levels of government are required.

In order to link the taken decisions in individual regions with the overall strategy of regional development and the concept of national economic security one should:

1) Rank the regions by the degree of a negative from the prevailing situations on the national security of Russia; the determination of crisis regions, the situation of which should be controlled by the Security Council;

2) the development of priority actions aimed at situation change in crisis regions within the terms of limited resources;

3) a continuous monitoring of progress and the evaluation of the actual effectiveness of measures adopted to the implementation; the control will allow to take timely measures in case of social and economic tension increase in the regions up to a critical one.

Socio-economic crisis led to a sharp weakening of inter-regional relations. The desire of certain regions, particularly rich in natural resources and raw materials, to the unilateral use of preferential export advantages, to the retention of tax revenue within its territory, to the administrative set of own product prices or the prohibition of its export outside the region undermines the integrity of the economic space of Russia and prevents the development of integration processes.

The withdrawal of the state from a centrally-planned economy in 1991 led to the growth of the

regional monopolies. The regional monopoly in the production of major products serves as the basic support for the regional trends enforcement.

The monopolistic market with a high degree of stability concerning the technological and economic relations is characteristic of electricity, coal, oil and gas supply at a sufficiently rigid linking of producers to consumers and a limited competitive supply.

Economic threats are intensified due to the predatory use of resources. Insufficient legal and economic aspects related to the delineation of jurisdiction spheres and powers between the federal and regional levels of governance in respect of the property rights to natural resources and their sources (deposits, etc.) allow their uncontrolled use.

The state bears the loss from the sale of strategic raw materials (non-ferrous metals, timber, etc.) at dumping prices due to the increased competition among Russian exporters.

A steady and an unfavorable trend of differentiation increase appeared concerning the income levels within RF regions.

A natural decline of population in the central regions, as well as in Siberia and the Far East is quite anxious one.

«Closed» cities are considered as the problematic ones. The underestimation of the territorial factor at the implementation of military facility conversion leads to the lack of demand for thousands of unique experts. The potential centers of a dangerous level of unemployment are also multi-functional towns or cities, where the vast majority of employment is concentrated in one or two companies.

On the one hand, the regions should solve the problems of trade, services, education, healthcare development, etc., on the other hand, one should keep a single military-political and socioeconomic space. The problem of state regulation by the economic and social policy of the regions becomes a particularly important here.

The methods of state regulation should support the processes of economic integration in the regions of Russia as a whole and contribute to the solution of complex social and economic development of individual regions, the prevention of crises within these regions. It is necessary to determine the optimal ratio of federal and regional budgets, the formation of funds for interregional redistribution of financial resources used for economic and social programs.

The positive shifts in addressing the issues of regional social policy are possible only within the conditions of stabilization and economic development. Along with this, a certain role in the

social policy provision of the regions may be performed by the accounting of regional factors.

Summing up, it should be noted that a new economy, a new social doctrine of Russia, the crisis of market fundamentalism contribute to the creation of a fundamentally new institutional framework for the state of patriotism in society. Under these conditions, economics and the government should rethink the generally accepted and common approaches concerning the content of the processes and the mechanisms of «human factor» regulation within the social and economic development of the country and regions and the state of a socio-political superstructure of society.

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