

*Materials of Conferences***THE FINANCIAL POLICY OF RUSSIA:  
ANALYSIS OF INSTITUTIONAL  
CHOICE OF SOCIETY**

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The most important achievements of national reforms in the way of the formation conditions of civilized market relations are the state's desire to preserve social security for the population. The question about effectiveness and appropriateness of state paternalism in this area not find definitely a positive response from specialists in this field. Opinion polls and statistic also reveal a negative attitude of the population to transformations of market-oriented direction. People think that the state represented by all its institutions responsible for a number of negative manifestations of the market and should take measures to overcome them. Thus, the results of research, G.G. Sillaste, there are a range of objectives requiring intervention by the authorities, which reflects the Table 1.

**Table 1**

Objectives for the solution of which,  
according to the Russians, necessary  
to focus government activity<sup>1</sup>

Problems to be solved by the government	% respondents
State control over prices and reduction prices	47
The fight against corruption, privatization of state property	36
Providing affordable housing	36
Availability rates on credits	34
Fiscal regulation	33
Strengthening of the ruble, increasing his status	33
Strengthening law and order	29
Financial support for agriculture	26
Control over payment of arrears of wages, pensions, allowances, scholarships	22
The financial support of public enterprises and government officials	18

The negative socio-economic impact of the accelerated transition to a market economy a very negative affected on quality of life in Russia. These

aftermath have led to great human, material, financial and moral losses. The vast majority of the population experienced the severe social consequences of unprepared transition to a market economy, undue hardship and changed his opinion on the question: what is more important – democracy or order. In the early 1990s, influenced by economic and political freedom, more than 80% of Russians considered more important democracy and freedom of speech. A completely different picture observed at the end of 2000 – according to 75% respondents important – this is the order that is supported by the state, rather than economic freedom<sup>2</sup>. These data clearly characterize the prevalence and awareness of the majority of population of negative socio-economic impact of solution and methods of their implementation by the Government in the economic, social and financial spheres.

At the economic mechanism there interconnection between variety financial decision-making and social consequences. The increase in negative social and economic consequences of government decisions ultimately should lead to a correction of its earlier decisions and eliminate the negative consequences of such decisions. Behavioral models, exploring the reactions of the people, his attitude and willingness to support reform in the state, largely associated with confidence government in the correctness of the reforms. In the views of the Russian population, and many Eastern European countries dominated the view of the adverse effects of free market economy and reduce state regulation of the processes in society<sup>3</sup>. Government institutions performing management of financial and economic mechanism is important to consider the opinion of the population and take informed action, relying on public support.

More specifically, the negative social and economic phenomena that accompany a market economy and particularly evident in periods of economic downturns are shown in Table 2.

Elicitation directions of dynamics of the main indicators confirms the prevalence of pessimism in society and such character of such changes maybe eliminate or reduce only by government regulation. The effectiveness of state regulation depends on the complexity and scale of the task and the ability of regulators effectively perform their functions. Equally important is the state's ability to effectively manage regulating credentials, including the timely and accurate choose instrument of management and apply them professionally. At Russia the market imperfection generates multiple externalities that

<sup>2</sup> Yearbook of the «Public Opinion-2000». All-Russian Public Opinion Research Centre, № 12, 2000.

<sup>3</sup> Polishchuk L. Corporate social responsibility and government regulation. Questions of Economics, № 10, 2009 P. 12.

<sup>1</sup> Sillaste G.G. Economic Sociology. M.: Alpha-M, Infra-M, 2012. P. 437.

complicate and extend the range of tasks of economic and financial regulation. Information asymmetry in the domestic economy is also very high, partly due to rapid economic and social change, in part – due to lack of transparency in the private and public sectors. At the same time, the practice of state regulation causes considerable criticism on apropos improper use of regulatory instruments, corruption and incompetence. At the same time, similar regulator as a powerful and large-scale in the country yet. The only mechanism that could work in this direction is not formed in Russia, corporate socially responsible sector. The need for informal mechanisms has increased due to increased centralization of administrative and fiscal authority in Russia. Regional and local authorities are responsible for economic development and welfare of the territory, while their budgets and official regulatory functions somewhat reduced. The idea of attracting business to the development of infrastructure, co-financing of social programs would reduce the gap between the authority and responsibility and get a new source of funds. The main reason for the reluctance of business to participate in projects and programs on their own initiative is the imperfection legislation in matters of tax regulation and insecurity of property rights. The reverse side of these issues is the possibility of pressure on domestic companies from the outside, that is used by the authorities to enforce the involvement of business in the financing of socio-economic programs and projects. In addition, the cause of the vulnerability of property rights in Russia, their lack of legitimacy in the eyes of public opinion: the privatization of the 1990 years and the subsequent redistribution of wealth in society are considered as deeply unfair, which casts doubt on the reliability of property rights. Fragmentation of society, the income gap, diametrically opposed interests of its members – all this say about the inability to act collectively in the common interest, that is, the low rate of social capital. Norms of behavior, values, the effectiveness of public organizations in the community creates the demand for socially responsible behavior by all its members, including – business.

Russia lacks modern social capital, which is confirmed by sociological studies. The Soviet past is not cultivated civic initiatives, and a radical and largely chaotic changes post-Soviet period highlighted the care of their own economic well-being and had a negative impact on solidarity and trust in society. The weakness of civil society in Russia does not allow to count on his leadership in the processes of social responsibility, on the deficit to the lack of public participation in these processes indicates deep gap between the submission of the population about desirable priorities and actual priority areas of social investment by Russian companies, as well as widespread doubts about the appropriateness of the requirements towards private enterprises and state to be socially responsible.

Structural features of the Russian economy, the diversity and complexity of socio-economic problems in the country, and limited capabilities government regulation and public sector creates conditions for the demand of the society on the formation of socially responsible business, which could be overcome and gradually smooth out the manifestation of econocide and externalities of a market economy.

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#### THE ROLE OF THE BRAND MANAGEMENT IN THE PROMOTION OF VLADIMIR REGION (RUSSIA)

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We have done the analysis of the place and role of the branding strategies in the promotion of the Vladimir region as a tourist destination. Nowadays the market dictates its own terms, as a result the new brands can currently become a powerful resource to help the Vladimir land to implement the desire to attract more and more tourists. The article investigates the main factors which in the nearest past hindered the development of tourist activities. The lack of funding of the tourist programs and projects, the changing of the priorities in the regional policy of the territory have changed the image of Vladimir as the capital of the Golden Ring, the well known tourist route. That's why brand orientation could be a strategy of survival for this tourist destination. The study includes the

Table 2

#### Econocide

Indicators	Dynamics
The level income of population	Reduction
The magnitude of savings	Reduction
Access to education	Reduction
Access to health and health care	Reduction
The level of consumer prices	Growth
The labor market (unemployment)	Growth
Creditomania	Growth
Socio-economic status of families	Deterioration
The crime rate	Growth
Maladjustment of the population	Deterioration