

THE REAL SECTOR OF ECONOMY PECULIARITIES

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The main issues of the real sector of the economy, its composition and structure have been considered, the foreign experience has been shown, and the recommendations have been provided to be further improved the production efficiency growth in the paper.

The modern economy is consisted in five main sectors:

- The non – financial corporations – the commercial organizations, having produced the goods and the non – financial services for the market;
- The financial corporations – the organizations, having provided the financial intermediation services and the issue of securities proceed;
- The power bodies authorities of the various levels and their subordinate Institutions;
- The households and the family business enterprises (e.g. the personal and private subsidiary holdings, the farms, and etc.);
- The non – commercial organization (NCOs), having produced the goods and provided the services on the non – market basis and having had the right to be used the profits only on the statutory and charitable purposes, but not for the dividends and bonuses payment, etc.

The state and municipal sectors of the economy are included not only the state management system, and the commercial and non – profit enterprises and Institutions complex, that are fully or partial owned by the state and local self – government, the resources of which are usually used on the basis of the special legal – normatively framework, as well as the material and financial resources, having owned to the state and municipalities. Thus, the private property forms, for all this, are the majority ownership, as well as the blocking stake, “golden” share, if it is given the right to be made the strategic management decisions. So, the state and local self – government are not only, as the political organization, the source of the power, but also, as the special sector of the economy, with its technical – materially and resource base, the control system, and economic ties.

On the role of the state and municipal sectors in the economy, it can be judged by its specific ratio and proportion in the volume of the sales production realization, e.g. GDP, the value of assets, investments, revenues and expenditures of the consolidated budget, and the number of the employee jobs. In various countries, this specific ratio and proportion is usually made up from 30 up to 60%, so, it is, particularly, high in Russia, and other countries with their transition and dynamical economies (e.g. China, India, Brazil, Singapore, Vietnam, and the others).

In the XX-th century, the public expenditures specific ratio and proportion in the Gross Domes-

tic Product (GDP) has been grown in 3,2 times in Japan, in 3,6 times – in France, in 4 times – in the USA, in 4,7 times – in Germany, in 10 times – in Sweden. In the United States it has already been reached 30 – 35%. The GDP, in EU it is 5%, and in Sweden – 65% [1]. According to R. Greenberg data [7], the state’s share in Russia’s GDP – 29%, Austria, Germany, France – 47–48%, and Norway – up to 80%. Russia, the area of which is exceeded 17 mln. sq. km, from which 70% is located in the Northern regions, and its boundaries are drawn on the 4 th. km. in the longitudinal, and on the 9 th. km. in the latitudinal directions, is practically needed in the strong government and state power for its geopolitical functions and the livelihood and the sustenance of the population execution [10]. However, the number of the people, having employed in the public budget sector per thousand population is 1,4 time higher, than in the OECD countries, and in 2,5 times higher, than in the countries with the medium level of the development. 38% of the active population are employed in the public state sector.

In the industrial economy, the armaments production, infrastructure (e.g. mail, railways, etc.), and finance have, mainly, been concerned to this sector. In the context of the globalization and innovation economy formation, this sector is included (e.g. with the private capital participation):

- the military – industrial complex, first of all, the aero – space industry, aircraft – and shipbuilding, manufacture of the special equipment, electronic and information technology;
- the innovative – educational complex, including the state and government scientific and research centers, Universities, industrial parks, patent – information system;
- the infrastructural complex, first of all, main pipelines and power grids, meteorology, hydro-economic and environmental complex;
- the fuel and energy balance complex, the production and further distribution of electricity, gas, water, energy efficiency system;
- the socio – cultural complex – social funds, education, public health, budgetary establishments and Institutions, having provided the social services free tall or at special and reduced prices, museums, libraries, and etc;
- the financial complex – the central bank and its institutional units, the state – controlled banks, and other monetary – and – credit organizations and Institutions, the financial intermediaries, the stock exchanges, the financial supervision system;
- the municipal services economy, including the construction and maintenance of roads, civil engineering structures and constructions, communication lines, streets and public and social buildings, environmental objects, energy, water supply and sewerage system, public transport and other sectors and branches of municipal public utilities.

The state and municipal economies management are practically performed by the legislative

(e.g. representative), executive, and judicial power bodies, subordinate them to the supervision, control, tax, customs and financial (e.g. budget and treasury) systems. In managing the state and municipal economies, the soft budget constraints are usually used, having allowed not to be bankrupted and not to be closed the socio – important organizations and Institutions, even at the temporary loss.

It should be noted the advantages and challenges, associated with the high proportion of the state public sector in the GDP. The experience of China, Norway, Brazil, Singapore and also other countries, where the investment and instrument and ship – building companies are belonged to the state, has been shown, that by competitiveness, they are completely equal, and quite often are superior to the private ones, thanks to its focus on the solution of the strategic and national objectives and challenges, of the national, state and public control over the price – formation, using the incomes, staff recruitment, and etc.

In Norway, the oil and gas revenues and incomes have purposefully been used for the further development of the non – extractive branches and industries, science, education, and pension fund replenishment. The experience of China is widely – known, where the heavy industries enterprises have not yet been privatized, and, at the end, they have been transferred to the market economy. Brazil, on the basis of the public sector, has been become the world leader in the aerospace and shipbuilding, electronics, biotechnology and bioengineering, the development and direct use of the new technologies in oil and gas offshore and on the shelf. Singapore, where the economy is led by the National Investment Fund, is in the lead in the high – tech industries manufactures competitiveness and the business environment quality.

The pharmaceutical industry of the world is in the private hands, but its further consolidation is practically led to the monopoly and constant increase in drug prices. In 2012, Americans have spent on them, according to the WHO, \$ 263 mln., since 2007 the prices of many drugs have already been doubled, including against Diabetes – in 1,6–4 times, the new drugs in the country are cost patients, in average, more \$ 10 th. monthly. In 2007–2014-es, about 2 mln. doctors have been arrested in the USA, the owners of the local clinics and pharmacies, the firm – producers, which have been caused damaged to the budget of \$ 6 bln., having written out the bills for the unnecessary procedures and transactions, the receipts for the healthy people care, etc. The Public Health Ministry (PHM) has revoked licences 17 thousand known clinics and 118 non – existent hospitals [8].

In Russia, in 1990-es the wholesale industry privatization has been carried out. The enterprises and companies have been transferred at the low prices (e.g. by book value, without hyperinflation, intangible assets, etc.) are close to the government

entities, that do not have any experience in the large business managing. For all this, the government orders for the military and other equipment have been drastically reduced. As a result, the new owners for a pittance have sold abroad the strategic stocks of the raw materials and materials, supplies and equipment, etc. and they repurposed the factories and plants, Scientific Research Institutes (SRI) and Design Bureaus (DB) in the shopping and entertainment malls and complexes, centers, warehouses, and low – tech productions.

The wholesale privatization, spontaneous conversion, and foreign economic relations liberalization have already been led to the collapse of the high – tech industries and branches, scientific and industrial complexes, leaving from the science and leaving to work abroad the most valuable human resources, the loss of a number of the promising technologies. The technical equipment of the science, a number of the enterprises and companies, having engaged in the innovation and ordering, payment and work prestige of the scientific and technical personnel.[3].

The special and particular damage has been caused the instrumentation, instrument making, radio electronics, machine – tool construction. According to the “Rospatent” data, the intellectual property has been made up more, than 60% of GDP USA, Western Germany and other developed countries, but it is less, than 1% of the Russia’s GDP. The research intensity of the transport engineering and machine building of the leading and major foreign countries and powers (e.g. the ratio of R & D expenditures to the total volume of the sales) has been exceeded 10%, while in Russia – it is less, than 1%. The Russia’s share in the world market of the high – tech production is made up 0,5%.

In 90-es, the Russian microelectronics – the basis of the high – tech complex has almost been destroyed. The microcircuit chips size of 0,8 mCi, suitable for the household appliances, are produced in Russia. The production of the chips 0,18 mCi for the social and payment cards, contactless monthly or season tickets, biometric passports (e.g. here, “Sitronics” will be taken 100% of the market area) has been organized at the “Sitronics” plant in Zelenograd (e.g. the Moscow Region) and etc. Then, the production of the chips has been arranged, that are usually required for the digital television receivers, antennas, the “GLONASS” navigational system, and etc.

The low proportion of state expenditures and government spending – is not the cause, but the consequence of the high level of the economic development. The most developed countries and advanced powers can do without any subsidies of the housing and communal services complex (HCSC), as the average salary in the USA – is more, than \$ 20, in Western Germany \$ 24 per hour. In Russia, it is several times lower, so the transition to 100% payment of the HCSC utility bills would be caused,

finally, the social explosion. In China, the low level of the non – interest budget expenditures is related to the fact, that 70% of the population – are the villagers and rural people, having lived on the intensive agricultural farming on their plots, without getting any pensions, benefits and HCSC services. In a number of rather small countries, it is due to the lack of the need to be maintained the large army, the rocket and space forces, and etc.

It should be noted also, that Finland, Sweden, Norway and other countries are occupied the first places on the competitiveness of their national economy, where the share of the state expenditures and government spending in GDP is not lower, or even higher, than in Russia, at the expense of their spending on education, public health, and science.

The main content of the economy further modernization, as it has already been noted by several researches, is to be increased and to be further improved the quality of the state and government regulation of the economy, and not to be waived from it. The foreign economists have criticized the liberal – radically ideas of “Reaganomics”, not taken into account the human capital, as the basis of the new economy, the change in the capital structure, the further transition to the online and network methods of the business organization.

In South Korea and China, the volume of the microelectronic components production in 300–500 times more, than in Russia, and in 4–5 times is exceeded the cars production, or the volume of the oil consumption. Over the past 20 years (or 240 months), the 2–3 generations of the process and technological equipment have been replaced. The microelectronic digital equipment and technology are made up to 85% of the newest equipment cost, in the middle apartment more, than 40 ones are equipped with, and in the car – more, than 30 microcontrollers. Russia has to import more, than 80% of the electronic equipment, including for the military purposes. A number of the countries are, severely, restricted the sale of the certain types of the microcircuit chips to Russia.

By 2013, according to the “Rosstat” and “The Development Center of the HSE SRM” data, the average annual number of the employees in the industry has been made up 13,2 mln. people, including 10,2 mln. – are in the manufacturing industry, about 2 mln. – are in the production and distribution of electricity, gas and water, more, than 1 mln. – are in the mining operations sector. Of 450 thousand of the enterprises, 405 thousand ones are related to the manufacturing industry, including 88 thousand – to the mechanical engineering, instrument making, production of the electrical electronic and optical equipment, transport vehicles. Here, Tatarstan, Kaluga and Ulyanovsk Regions (RF) have already been achieved the greatest successes. However, the overwhelming majority of the enterprises and businesses are quite uncompetitive in the world market.

The industry is accounted 25,3% of GDP, but the manufacturing industry – is only 13%.

The Russian economy has been come to its transition point. The current liberal and economic strategy is aimed at the macroeconomic stability, inflation reduction, and the budget deficit. It is achieved by the withdrawal of the funds from the economy, the investments of the export revenues into the reserve and debt obligations of the other countries and powers, the corporate debt increasing, the funding reallocation of education and public health care to the local budgets. In the globally unstable and turbulent economy (e.g. “the new chaos”), this strategy, practically, has been reduced to almost zero growth in the economy, has been led to the sharp decline in the investments and the capitals flight, the business profitability reducing.

In 2012–2014-es, the sales profitability, according to “The Center for the Macroeconomic Analysis and Forecasting”, has been declined from 9,7 down to 5–6%, the population debts on their loans in 2007–2013-es have been increased from 14 up to 21% of the disposable household income, the multiplier effect of the state and government megaprojects has been declined, the ¼ investments is not being paid off, and their overall profitability (e.g. 7%) is lower, than the price of the credit (e.g. 9–10%) and the incomes from placing the funds in the bank deposits (e.g. 10%). The main income is being generated not by the production, but by the natural, exclusive, administrative – politically rent, which is produced by the natural resource companies, and monopolistic intermediaries. [5].

Russia is needed the new growth model [6], having orientated not only on the balanced budget and decline in inflation, but, above all, the economic growth acceleration [7], by the strategic investments increasing in the modernization of the economy [9]. According to S. Glazyev’s and other economists’ opinions [2], [4], in the framework of the previous monetarist – liberally macroeconomic paradigm, the development of the real anti – crisis management strategy is completely excluded. The free movement of the capital market is not solved the challenge, especially, since the Russian markets do not have their sufficient capacity, they are speculative, and they are depended on the non – residents financing, and they are not available for the majority of the domestic manufacturing enterprises. The domestic market, which is under the pressure of the foreign competition, is not, practically, capable of without purposeful government policy, to be solved the challenges of the economy modernization and the further rise of its high – tech branches and industries. The commercial banks are not able themselves to be increased its capital up to the level, that is met the needs of the real sector.

The main reason of the economic growth stagnation – is the growth rates slowdown in the labor productivity (e.g. from 7% in 2006–2007-es up to 2–3% in 2012–2013-es) and the loss

of compensating the low efficiency of the resources cheapness production. The tariffs of the natural monopolies have been grown in the recent times by 15–18% annually. According to the experts data (e.g. “Expert”, 2013, № 40), the transport costs in the extended Russia for 55% are higher, than in the USA, the gas is more expensive, in a number of the places the salary has been exceeded its level of Hungary, Lithuania, Latvia, but the development of an employee in the 100 great companies (e.g. 18% per year) in 3,4 times less, than in Japan, in 3 times less, than in the USA, in 1,7 time less, than in India and Brazil, and it is almost the same, as in Kazakhstan. Of 10 leaders in the labor productivity in the EES, 7 from 50–16 are working in Kazakhstan (e.g. the subsidiaries firms and companies of the oil and gas MNC), two in Belarus (e.g. Nozirsky Oil Refinery and “NAFTAN”).

In the various regions of Russia, the development of an employee is, practically, made up 63% of the world level, in the major companies of the energy, oil and gas, telecommunication, scientific and industrial sectors – 45–49%; black and non-ferrous metallurgy – 35–38%. From 87 mln. employable Russians, about 3 mln. are engaged in the security, defense and law enforcement agencies, military and policing branches; about 4 mln. – are in the ministries, pension and insurance funds, supervision and control services; about 2 mln. – are in the security and preservation organizations. According to the President of “Rosagromash” K. Babkin data, for the obsolete building and other regulations, the Russian Tractor Factory should be taken several times larger area more, than the Canadian, and the administrative staff is more, than 4,5 times (e.g. 65 and 14), including the security officers – in 37,5 times. Only by these two occupations, the additional costs – are about \$ 3 mln. annually.

The production facilities have already been outdated for 80%, the qualified staff – is in the acute shortage, the credit is being given for a short (e.g. up to 3 years or 48 months) term. The monetary policy orientation is not on the production, and on the import, the inflation is being increased, especially, if the flat rate of the taxes is the same for the citizen, whose income has been created by the labor, and the oligarch, having lived abroad and having come, only to be collected the rent, under the free movement of the capitals.

Russia has its ability to be, dramatically, improved the production efficiency, on the basis of the new creation and elimination of the obsolete working jobs, especially, in the area of the municipal, urban and agricultural infrastructures, roads, power industry, machine building, APC, share increasing in the investments in GDP from 20 up to 27–28% annually. This will be compensated for the gap in the amount of the savings and productive investments, having constituted, according to the experts’ assessment, 7% of the GDP. For this purpose, you are needed the real public state and government

private partnership, having attracted the private rather, than the public and foreign investments, the new tools of the concessional long – termed loans, the further development of the sub-federal and corporate bonds, the creation of the lucrative market housing and communal services, on the basis of the new technologies and real competition.

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The work is submitted to the International Scientific Conference “Production management. Accounting, Analysis, Finance”, London, October 18–25, 2014 came to the editorial office on 04.10.2014.

SPECIAL FEATURES OF ORGANIZATION-STAFF WORK WITHIN STATE BODIES IN MODERN CONDITIONS: DOMESTIC AND FOREIGN EXPERIENCE

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The article studies basic trends of organization-staff work in state bodies in Russia.

Transition of Russian economy to the world space, related to the sixth technological tradition leads to global changes, including correction of problems, faced by bodies of state government. Attitude towards work and employees suffers a change.

Qualification, professionalism, knowledge, and ability to create become basic characteristics of an employee. A worker not only supplies his professional qualification to employer for a fixed period of time. Person becomes a subject of professional relations, as an employee takes responsibility for his personal development. Managing such personnel defines inefficiency of the existing model of Taylor that considered industrial technologies, designed for mass production, developed distribution