



V.P. KURCHENKOV

Doctor of economic sciences, Head of the Department of State and Municipal Management, Federal state autonomous educational institution of higher education "Volgograd State University."
Sphere of interests: problems of the state policy, state regulation market economy, state corporations, regional economy, state regulation in the innovation field.

E-mail: kurchenkov@volsu.ru



O.S. MAKARENKO,

Assistant Professor of the Department of State and Municipal Management, Federal state autonomous educational institution of higher education "Volgograd State University."
Sphere of interests: state regulation of the economy, state sector, state corporations

E-mail: olgasmirn@volsu.ru

ADVANTAGES OF THE CORPORATE MODEL OF THE STATE SECTOR OF RUSSIAN ECONOMY

ANNOTATION

Nowadays the share of the public sector in the Russian economy plays a significant role. The state sector is actively used as a regulating means of the achievement of many state social and economic objectives, including ensuring the stable development of strategic ones. The article reveals the peculiarities of the formation and development of the corporate model of the Russian state sector of economy, which are also connected with the creation and functioning of the institute of state corporations. In the article authors defines the peculiarities of the formation of a corporate model of the state sector of the Russian economy by identifying its features, principles, advantages and disadvantages of use, concluding in achieving the integration effect in the process of interaction of its economic entities.

The received results can be used in the activities of state structures in the implementation of state policy on the development of the public sector, and in solving the problems of accounting for its boundaries and scales, as well as in developing and improving the strategies of development of state corporations, increasing the efficiency of their activities.

KEY WORDS

STATE REGULATION, STATE SECTOR, STATE CORPORATION, CORPORATE MODEL

INTRODUCTION

The general direction of the development of economic processes greatly depends on the efficiency of the development of the public sector. The consequences of the massive privatization of state-owned enterprises, the lack of expected effects of market reforms – these are among the main reasons for the theoretical reflection on the development of the public sector in the Russian Federation. In a context where globalization intensifies, economic and political threats are increasing; there is a real need for a strong and effective public sector, which will provide support to domestic producers, to strategic sectors of the economy, and will become a guarantor of national economic security. The development and implementation of the corporate model of the public sector helps to fulfillment these tasks. But, at the same time they provide an integration effect due to the greater interaction with the private sector. The state sector is represented not only by state unitary enterprises, public joint-stock companies with state participation, but also by the state corporations – these are

non-profit organizations, which were created for the implementation of managerial, social and other socially useful functions. State corporations, as a modern institute of economic development, also play an important role in ensuring the sustainable development of national economic systems. They neutralize "failures" of the market and create all necessary conditions for overcoming the crisis phenomena. Large state corporations not only contribute to economic development, but also make a significant contribution to solving many social issues.

ESSENCE AND EVOLUTION OF DEVELOPMENT OF PUBLIC SECTOR IN RUSSIAN ECONOMY

Public sector is the integral element of economy's structure. On the one hand, the state business promotes accumulation of the capital, provides improvement of branches of economy and strengthens country positions in the world

Table 1
Approaches to the definition of the essence of the state sector of the economy

Approach	Content
Resource	The total of material and intangible resources that are at the disposal of the state or other entities - providers of public goods
Normative	The total of enterprises, organizations, institutions owned by the state
Managerial	The total of economic entities, the management of which is carried out and controlled by public authorities
Economic	The total of enterprises, organizations, institutions engaged in the provision of public goods and services
Institutional	A total of state institutions operating in strategically important sectors of the economy and ensuring the fulfillment of the public social functions of the state

market. From the other hand, the state owns a large part of production, transport and social infrastructure and it acts as material resources of sustainable development of national economy. In Russian economy public sector takes the essential place either by the volume of the produced and sold products, or by the number of the created jobs. Such companies are among the number of the largest enterprises of public sector as: JSC "OPK" Obo-ronprom", JSC "Oboronservis", PJSC "Gazprom", PJSC "NK "Rosneft", JSC "RZD", OJSC Rostelecom, FSUE "Mail of Russia". These companies function mainly in the defense and social spheres. (Smirnov O.S., 2014).

Natural monopolies, which operate within strategically important sectors of the country's economy and ensure the integrity and security of the social and economic space, are the important tool for state regulation of the economy. The state tries to keep them and, at the same time, to contribute to the development of the competition in those segments where it is possible. (Gogoleva T.N., 2013) In the sphere of natural monopolies most of the enterprises belong to the state, there are even state corporations (such as state corporation "Rosatom", state corporation "Roskosmos").

The state sector is a set of enterprises, organizations and institutions which are in the state ownership, at it is managed either by public authorities or the persons employed by them. (Raizberg B.A., 1999) The state sector is considered not only as the sphere of state ownership, the state directly controls its budget and other resources. [Atkinson E., Stiglitz G., 1995] Besides, the economic sector contains economic relations that arise in the production, distribution, exchange, consumption of tangible and intangible goods and services in order to meet public needs and ensure national security. [Podrezova Yu.A., 2008]

The analysis of various interpretations of the concept of "state sector" has shown that its nature is understood in different ways and there are a number of approaches to the definition of the essence of the state sector of the Russian economy (Table 1).

According to the institutional approach, the state sector can be regarded as a set of institutions that are heterogeneous in their genesis, such as: unitary enterprises, budget institutions and corporations in a broad sense, including non-profit state corporations established on the basis of federal law [Federal Law, 1996] and public joint stock companies with state participation. Such understanding of the public sector allows including a large number of different enterprises and organizations in its structure. This greatly contributes to the expansion of its borders through the coverage of more domestic markets, and the use of forms of cooperation and collaboration.

Historically, there is a continuous evolution of the social and economic relations, which is connected with changes in state regulation of economy [Kurchenkov V.V., Fetisova O.V., Chigareva

G.V., 2013] and with development of the state sector. The state sector had dominated in domestic economy till 1990. The transition from command and administrative to market economy has significantly influenced the quantitative, qualitative and structural characteristics of the state sector. Unfortunately, results of changes were negative because at that time there were no necessary state institutes, financial support and effective mechanisms of realization of reforms. It became obvious that complex justification and implementation of economic reforms of public sector of Russia is necessary, using the system approach and a clear definition of influence of institutional factors on its development [Mazanov V.V., 2008].

The necessity of the state's participation in economic relations still causes discussions between scientists [Mokina L.S., Nikitina E.G., 2015] and some scientists [Babikova A.V., Hanina A.V., 2015] defend the presence of the state sector in energy, shipbuilding, aircraft and rocketry, railway transport, military-industrial complex and a larger concentration of state-owned enterprises in strategically important industries of the Russian economy.

We can distinguish three main stages in the evolutionary development of the state sector of the contemporary Russian economy (Table 2).

At the formation stage, the state sector of the Russian economy was functioning due to the state ownership and it had a unitary management structure. The state participated as the main agent of economic activity and the main owner. At the stage of transformation, with the formation of a corporate model of the state sector, a part of state ownership was subtracted in favor of state corporations. However, the subtraction was "incomplete", because the state still occupies a dominant position in the system of strategic management of state corporations, its significant share in the structure of capital of state corporations is still significant, and in some cases it even dominates (State corporation "Rosatom", State corporation "Rostekhnologii", State Corporation "Roskosmos"). The transition from the unitary model of the state sector to the corporate model can be defined as the transition from a monocentric model to a polycentric, we mean that homogeneous structure transforms into a heterogeneous one.

The mentioned stages of the evolution of the state sector of the Russian economy have allowed justifying the genesis of opportunities and to use alternative models of development of the state sector of the Russian economy (unitary, corporative, mixed). Thus, the unitary model of the state sector is represented by state unitary enterprises, which are in full state ownership. Large state corporations and public joint-stock companies with state participation form the corporate model. The mixed model combines features both of unitary and corporate models. It has

Table 2
Historical Stages of State Sector Development (1991-2017)

Stage	Description
Formation of the state sector in a market economy (1991–2007)	Fast privatization process, active reduction of state sector share in the economy and private sector growth, formation of legislative base and new institutions of public administration
Transformation of the public sector into the corporate structure (2007-2014)	Active creation of state corporations in strategically important branches of economy, increase of budget financing of large corporate structures with state participation
Stabilization and organizational improvement of the corporate structure of the state sector (2014–2017)	Development of mechanisms of public-private partnership, the increasing the share of the state sector in the Russian economy, discussions about the scale and boundaries of the state sector of the Russian economy, problems of its efficiency

either corporate structure with a share of state capital, or state-owned enterprises which main resources are owned by the state.

ADVANTAGES OF THE CORPORATE MODEL OF THE STATE SECTOR

The development of corporate relations has had a significant impact on the patterns of formation of the structure of the state sector. The general dynamics of the development of the state sector in quantitative terms is characterized by several trends. There is a formal reduction of number of the unitary state enterprises, and the integration of the state assets into the large holding companies and state corporations continues. The enterprises are restructured in such way that large corporate associations are formed, most of whose shares belongs to the state, including the fact that vertically integrated structures appear. The increase in a share of the state in private corporations, the creation of large corporate structures with the state participation allow us to talk about formation of new model of public sector of the Russian economy. Successful state corporations operate in key sectors of the national industry; and they make a significant contribution to the development of international economic relations of Russia [Smirnova O.S., 2013]. Under the current circumstances, the question arises: what is the optimal model of the state sector of the Russian economy? The main features of the corporate model of the state sector are reflected in Table 3.

In a situation where globalization continues, the activities of foreign multinational companies are suppressing the Russian economy, that is why it is necessary to increase the competitive

potential of the national economy. A corporate model of the state sector of the Russian economy, with the participation of large state corporations, which are capable of creating competition with foreign multinational companies, should be developed [Kalmykova T.N., 2013].

To our mind, the following principles should make the basis for the corporative model:

- active economic interaction and cooperation of state corporations with large foreign companies and corporations; a number of Russian corporations has its own representative offices and branches abroad;
- significant, sometimes even total control of certain branches of the economy, which are strategically important (nuclear, energy, defense and industrial complex, etc.);
- close interrelation of strategic priorities of development of the state corporations with common goals and problems of development of the state in general, realization of financial, investment, social and economic, external economic state policy;
- development of long-term strategy of the state corporations, which reflects the mission, the purposes, tasks and also the priority directions of their development.

The analysis of peculiarities of formation and realization of corporate model of public sector of the Russian economy has allowed revealing its advantages and shortcomings (Table 4).

Achievement of integration effect is the main advantage of corporate model of public sector of the Russian economy. Integration potential of basic elements within the public sector rises, particularly, the unitary enterprises, scientific and educational institutions, etc. are increasing. Interaction borders with the pri-

Table 3.
The main features of the corporate model of the state sector

Feature	Characteristic	Description
Relative size	Not big	The state sector includes relatively few big corporations, the share of state unitary enterprises reduces
Scope of activity	Significant	The contribution of state corporations and state-owned companies in the structure of GDP is quite significant, there are high volumes of production activity and sales volumes
Degree of branch specialization	High	Large state corporations operate in high-tech industries: defense, nuclear, energy, space, transport, where they occupy most of the market or control the entire industry (SC "Rosatom, Roskosmos, Rostekhnologii")
Definition of borders	Not clear	In the structure of the economic entities of the public sector, we can allocate corporations with 100% state and state participation, the shares of which are partly owned by the state (50% of shares and more), in other words, a part of the shares belongs to the state, and the part to private corporations
Investment activity	High	State corporations make significant investments in the development of industries and support of domestic manufacturers, in the structure of a number of corporations (SC "Rostekhnologii", "Rosatom") investment units and individual companies specializing in managing investment projects are allocated

Table 4.
Corporate model's advantages and shortcomings

Advantages	Disadvantages
<ul style="list-style-type: none"> • Considerable volumes of financial resources, • consolidation of the state capital in structure of the large state corporations; • long-term strategic planning of activity of economic entities • development of high-technological and priority industries of economy; • Implementation of certain types of state policy 	<ul style="list-style-type: none"> • Considerable costs of material and non-material resources of creation and functioning of large corporations; • complexity of organizational structures of the state corporations; • problems of complex assessment of efficiency of the state corporations; • problems of boundary delimitation of public sector; • insufficient state control over activity of the state corporations

porate sector extend due to the opportunities of joint possession of the share capital at implementation of joint projects within public-private partnership, diversifications of a portfolio of the state order, expansion of commercial functions of new subjects of public sector. New possibilities for the relative growth of the sizes of state sector and the actual expansion of its borders due to strengthening of transitional elements, due to the development of corporate and associative forms of integration with the enterprises of the private sector are created. If we compare, the classical or unitary model of state sector promotes isolationism and disintegration either the internal elements which are its part, or external elements, including the enterprises of the private sector.

This model assumes increase in the sizes of state sector, namely, the number of the state unitary enterprises, which is rather problematic in modern conditions. In this regard, the potential of growth of the sizes of state sector within classical unitary model is very limited.

STATE CORPORATIONS AS THE BASIS OF THE CORPORATE MODEL OF THE PUBLIC SECTOR

The state corporations which have formed three main groups were created in 2007:

- State Corporation "Vneshekonombank", state corporation "Agentstvo po strahovaniy vkladov", solve problem issues of the market and a control system of the state, they also create institutes of financial development in the form of state corporations.
- State corporation "Fond sodeistviia reformirovaniy GKH", state corporation "Olimpstroj" increase flexibility and efficiency of a management system, they transfer separate functions of public authorities of the power to the jurisdiction of the state corporations.
- State corporation "Gosatom", state corporation "Rostekhnologii", state corporation "Roskosmos", they promote increase in competitiveness of strategically important branches of economy, ensure national security, restructuring and consolidation of the corresponding assets of the

state. [Siniukov, Yu.V.].

The state corporations function in priority branches and perform a number of important functions in the public sector's structure. Among them we can name:

- reproductive function: production, distribution and consumption of public benefits with emphasis on creation of conditions for production of the useful benefits to the population not only within public sector but also for the enterprises and the organizations of the private sector;
- ensuring national security: the state sector concentrates the enterprises forming a kernel of a defensive and industrial complex, and it is holding a scientific and technological priority in the field of the creation of new weapons and the equipment;
- innovation function: the concentration of huge scientific potential within the public sector, the orientation of newly created state corporations to high-tech production and the production of innovative products;
- stabilization function: stabilization of the financial and real sectors of the Russian economy in the conditions of crisis, and overcoming the consequences of policy of Russian economic isolation from economically developed countries..

For assessment of key performance indicators of the state corporations it is important to modify the existing system of assessment of their efficiency in such way, that it should include basic criteria, which reflect internal efficiency of the corporation as economic subject or economic unit. It also should include derivative, which reflects the external economic, social and environmental effects of the entire public sector, industry and the economy as a whole. The improvement of its strategic planning system is an important direction in increasing the efficiency of the institute of state corporations. It is directed to optimize structural elements of basic strategy and to achieve the state corporation, which is complementary to type of the chosen reference strategy (the concentrated growth, vertical integration or diversification strategies).

The peculiarity of choosing some definite strategy of a state corporation depends on its type. Conditionally, state corporations can be divided into several groups (table 5) depending on a combination of features reflecting the degree of state

Table 5.
Classification of the state corporations by extent of the state participation and level of positioning in the market

	Market positioning	Extent of the state participation in the capital
Strong	A. The most part of production economic activity is focused on the competitive market	B. The controlling stake is owned by the state or completely is in state ownership
Weak	C. The most part of production economic activity is focused on the state order	D. Participation of the state in the capital is limited

Table 6.
The basic strategy of the state corporations in Russian Federation

State corporation	Strategy type	Implemented function	Terms of strategies realization
Agenstvo po strahovaniy vkladov	The strategy of the concentrated growth	Stabilization, reproduction	From 2015 till 2020
Vneshekonombank	The strategy of the concentrated growth	Stabilization, reproduction	From 2016 till 2021
Fond sodeistviia reformirovaniy GKH	The strategy of the concentrated growth	Social, reproduction	From 2014 till 2017
Rosteknologii	Strategy of diversified growth	Innovative, reproduction	From 2013 till 2020
Rosatom	Strategy of diversified growth	Ensuring national security, reproduction	From 2012 till 2030
Roskosmos	Strategy of diversified growth	Innovative, reproduction	From 2017 till 2030

participation in the assets, and level orientation of production and economic activities to a competitive market, market transactions. [Kyrchenkov, V.V., Kalmukova T.N., 2013].

According to the theory of O.V.Inshakova about distinction the institutional status of the enterprise and firm [Inshakov O.V., 2018], we should mention that only state corporation, which are included in the sector A-D will have a greater degree of institutional features of the companies. At the same time, the state corporations, which belong to the sector B-C, they will have features of the classical enterprise of a centralized planned economy. That is why, in modern conditions institutional borders of the state corporations are rather unclear, because structures of this type are extremely various, and they differ by the sizes, structure, sector affiliation.

Optimization of structure of state corporation strategy is connected with the necessity to allocate such obligatory elements as: "definition of a mission and purposes", "analysis of external and internal environment", "development of the program of actions", "statement of target indicators and resource ensuring realization of strategy". Besides, the type of the organizational and functional configuration of state corporation has to correspond to the type of the chosen strategy (table 6). For such state corporations as "Vneshekonombank", "Agenstvo po strahovaniy vkladov", "Fond sodeistviia reformirovaniy GKH" the type of strategy of the concentrated growth, connected with strengthening of positions in the market, is peculiar. State corporations as "Rosteknologii", "Rosatom" and "Roskosmos" chose the strategy of diversified growth, which is connected with the diversification of the product portfolio and the emergence of new, fast-growing markets. Implementation of the chosen strategy will allow the state corporations to develop effectively in the long term perspective and to successfully carry out their goals, including those, connected with support of strategic branches of the Russian economy.

CONCLUSION

Advantages of the corporate model of state sector are caused by the advantages of large corporations, which are connected with unlimited development opportunities and diversification of production, with receiving of high profit and with the introduction of new technologies. The state corporations activity is carried out in perspective sectors of national economy, the effective

development of which depends on the successful development of the country's economy as a whole. The state corporations help smoothing of "failures" of the market by creating all necessary prerequisites for the elimination of consequences of the crisis phenomena by providing sustainable development of national economic system. Within public sector the state corporations perform a number of important functions, first of all reproduction, innovative and stabilization function and also ensure national security. Consolidation of the state capital in the large state corporations allows developing in a complex and effective way some strategic branches of economy. Successful formation and development of corporate model of public sector of the Russian economy directly depend on efficiency of functioning of the state corporations, which make a basis for formation of this model. Development of the state sector promotes consolidation of the state capital in strategically important branches of economy by means of merging of economic entities in the large state corporations. This allows to provide high diversification of production and considerable scales of activity and effective implementation of separate types of state policy.

REFERENCES

1. Atkinson E., Stirlits G. (1995) Lektsii po ekonomicheskoy teorii gosudarstvennogo sektora: Per. s angl. [Lectures on the Economic Theory of the Public Sector: Translation from English]. M.: Aspekt-press. p. 5–9.
2. Babikova A.V., Hanina A.V. (2015) Gosudarstvennoe regulirovanie razvitiya vyisokotekhnologichnykh otrasley promyshlennosti v usloviyakh modernizatsii ekonomiki. [State regulation of development of high-tech industries in the conditions of modernization of the economy]. Problems of economy and management. № 1 (41). p. 28–33.
3. Gogoleva T.N. Ustoychivost estestvenno-monopolnogo effekta: metodologicheskie predposylki i metodika analiza [Stability of natural and exclusive effect: methodological prerequisites and technique of the analysis]. Bulletin of Voronezh State University. Ser. Economy and management. № 1. p. 5–11.
4. Inshakov O.V. (2008) Predpriyatie i firma: vyihod iz zabluzhdeniy v rusle evolyutsionnoy ekonomicheskoy teorii [Enterprise and firm: exit from delusions in line with evolutionary economic theory]. Bulletin of the Volgograd state university. Series 3. Economy. Ecology. № 2. p. 6–15.

5. Kalmukova T.N. (2013) Formirovanie korporativnykh struktur v gosudarstvennom sektore rossiyskoy ekonomiki v sovremennykh usloviyakh [Formation of corporate structures in public sector of the Russian economy in modern conditions]. Business. Education. Law. Bulletin of the Volgograd institute of business. № 4. p. 231–235.
6. Kurchenkov V.V. (2012) Rol gosudarstva v konsolidatsii rossiyskogo kapitala na sovremennom etape [Role of the state in consolidation the Russian capital nowadays]. Bulletin of the Volgograd state university. Series 3. Economy. Ecology. № 1. p. 6–13.
7. Kurchenkov V.V., Kalmukova T.N. (2013) Institutionalnyie faktory formirovaniya gosudarstvennykh korporatsiy v sovremennoy rossiyskoy ekonomike [Institutional factors of formation of the state corporations in the modern Russian economy]. Modern Economics: Problems and Solutions. № 2 (38). p. 37–45.
8. Mazanova V.V. (2008) Public sector in the economic system of the modern Russian state [Gosudarstvennyy sektor v ekonomicheskoy sisteme sovremennogo rossiyskogo gosudarstva]. Social and economic phenomena and processes. № 4. p. 56–58.
9. Mokina L.S., Nikitina E.G. (2015) Neobhodimost gosudarstvennogo regulirovaniya ekonomiki [The necessity of the state regulation of economy]. Bulletin of SamSU. № 2 (124). p. 153–156.
10. Podrezova Yu.A. (2008) Gosudarstvennyy sektor i ego effektivnost v rossiyskoy ekonomike [Public sector and its efficiency in the Russian economy]: Abstract of the diss. ... Cand. econ sciences. Tambov. p.17-23.
11. Raizberg B.A. (2016) Sovremennyiy ekonomicheskii slovar [Modern economic dictionary]. Akademik.ru URL: http://dic.academic.ru/dic.nsf/econ_dict/17398.
12. Siniykov Yu.V. (2011) Rol gosudarstvennykh korporatsiy v mehanizme finansirovaniya innovatsiy i modernizatsii ekonomiki Rossii [Role of the state corporations in a funding mechanism for innovations and modernization of economy of Russia]. Bulletin of the Kazan legal institute of the Ministry of Internal Affairs of the Russian Federation. № 6. p. 122–125.
13. Smironova O.S. (2013) Gosudarstvennyie korporatsii kak sovremennyiy institut razvitiya ekonomiki Rossii [State corporations as a modern institute for the development of the economy of Russia]. Bulletin of the Volgograd State University. Series 9. Researches of young scientists. № 11. P. 51–53.
14. Smironova O.S. (2014) Rol predpriyatiy gosudarstvennogo sektora v razvitiy ekonomiki strany [The role of public sector enterprises in the development of the country's economy]. Tendencies of the development of economics: a collection of scientific articles of the International scientific and practical conference. Ufa: Aeternaya. p. 59–60.
15. Federal Law of January 12, 1996 No. 7-FZ "On Non-commercial Organizations". ConsultantPlus URL: http://www.consultant.ru/document/cons_doc_LAW_8824/.
16. Yakobson L.I. (2000) Gosudarstvennyy sektor ekonomiki: ekonomicheskaya teoriya i politika: Uchebnik dlya vuzov [State sector of the economy: economic theory and politics: Textbook for high schools.] M.: GU VSCE. 367 p.