

The Role of State Corporations in Redesign of Sectoral Supply Chain Management

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Abstract— The article discusses the problem of supply chain management in economy of Russian Federation. The institutional analysis revealed a trend towards the restoration of the supply chain management system that operated during the Soviet period on the basis of a transition to the manual economy management mode. The modern system of supply chain management of Russia has a number of differences from the Soviet model such as market pricing and distribution channels of the product, and it designed to implement the policy of import substitution in the Russian economy. The state corporation was chosen as the most appropriate organizational form to solve amassed structural problems. High risks of investing to the Russian economy, insecurity of private property rights, monopolization of certain sectors of the economy are creating an unfavorable institutional environment for business. Under these conditions, instead of expanding and encouraging the activities of private entrepreneurs, the state chose a different way to solve the structural problems of the Russian economy - withdrawing funds through taxes and distributing them through budgets of all levels to state corporations that are headed by the persons closest to power. The article shows that this path led to the restoration of the supply chain management system that was very characteristic to the Soviet economy. Since the experience of such management turned out to be negative, its repetition in the new market conditions is unlikely to bring a positive result, however, the government's strategy does not provide for the possibility of replacing budget investments with private ones, as a result of which budget investments increasingly dominate, private investments are reduced, capital outflow is increasing, and the economy remains inefficient.

Keywords— *state corporation, import substitution policy, supply chain management, sectoral management*

1. Introduction

State corporations have become an instrument of import substitution policy in the implementation of the manual economy management regime, the transition to which in 2007 marks a change in the logic of institutional policy. The gradual

replacement of private investments with budgetary investments, the transfer of individual sectors of the economy to state ownership, in parallel with their monopolization, became the result of an institutional policy unfavorable to business. Insecurity of private property, high transaction costs, the rise of monopolies and the abuse of their monopoly position in the market force private business out of the Russian economy. The required structural changes need investments, which makes the budget the main source of funds for the economy. The development of budgetary funds cannot be carried out by private business, as there is mutual distrust between business and the state. Together, these problems lead to the need to change the structure of sectoral governance, where the main element becomes a state corporation. In fact, market relations are replaced by quasi-market under the management of persons designated by the state.

1.1 The aim of the research

analysis of structural changes in the management of sectors of the Russian economy

1.2 Research objectives

To determine the stage of transformation of supply chain management from the moment of dismantling the Soviet economy to the current state; to identify the main results of the transformation process of supply chain management; characterize the role of state corporations in the system of supply chain management of the modern Russian economy.

For us it was especially important to understand the trajectory of changes in supply chain management after the dismantling of the Soviet economy. Institutional changes in the Russian economy left a unique imprint on the structure of the national economy, and it can be traced through the stages from 1991 to the current state. We came to the conclusion that the current state of the sectoral

management structure coincides in many ways with the sectoral structure of the Soviet period, which can be explained both by the effect of path dependence and the problems of ensuring the inflow of private investments and their replacement by budget ones.

2. Materials and Methods

In conducting the study, general scientific and special methods and techniques of economic research were used: a set of scientific methods of the abstract logical method; monographic and comparative, method of institutional analysis. Regulations allowed to identify the management functions that are assigned to public corporations. The laws of the Soviet period made it possible to identify the management functions and the structure of the sectoral management of that period to conduct a comparative analysis. Management functions characteristic of state corporations by virtue of current regulatory acts, management functions of enterprises of the Soviet period were analyzed in accordance with the hierarchy of policy planning. Comparison of management functions led to the conclusion about the similarity of the modern system of sectoral management and the system of the Soviet period. The differences are in the use of elements of a market economy, such as the right of private property, because their protection is provided more likely not by judicial authorities, but by proximity to power, that is, the property of public corporations is protected not by law, but rather by access to violence according to the methodology of [4]. The restoration of the sectoral management system specific for the Soviet economy carries with it the risks of ending economic development as well as during the Soviet period. Using the methodology of institutional analysis in terms of determining the coasian and pigouvian directions of institutional policy, allowed us to identify and justify the direction of development of the structures of sectoral management of Russian national economy. The question remains open as to when the new year of 1991 will come for the national economy of Russia and the trajectory of sectoral management will change again.

Some aspects of state corporation management were researched by Antonelli, Amidei, Fassio; Girma, Gong, Görg; Holland; Hu, Jefferson; Kurchenkov, Fetisova, Makarenko; Li; Menon, Ng;

Murray; Nolan, Xiaoqiang; Soboleva, Bondar, Beskrovnaya; Tönurist; Tambunan; Alhamrouni [1, -11]. Dysfunctions of public administration as a problem of economic efficiency and institutional policy we already published in: Silvestrov, Zeldner, Osipov, Katra [12-14]; also juridical aspects of this problem was researched in: Smorgunova, Dorskaia, Pashentsev, Pavlenko, Ignatieva [15]. Problems of Industry 4.0 implementation in emerging markets economies and also import substitution policy were described in: Bogoviz, Osipov, Chistyakova, Borisov; Sidorova, Osipov, Zeldner; Stroiteleva, Kalinicheva, Vukovich, Osipov, Katra, Zikai, Muhammad [16-19].

3. Results

The internal management structure of state corporations, in contrast to the industrial ministries of the Soviet period, is characterized by the duality of subordination, which affects the quality of management of large economic actors. The enlargement of Russian industrial enterprises through vertical integration is caused by the need to form economic nets in production chains, which can solve the problem of coordination dysfunction in the system of sectoral management of the Russian economy [20-22].

Big business is a locomotive of innovative sector. There is the highest percentage of investments is observed in its sphere. In Russia, the segment of large companies (and most of them are state corporations) accounts for the overwhelming share of the economy - 79% versus 42% on average in developed countries. In addition, the state's status of big business makes this group very attractive for innovation policy.

Summarizing the shortcomings in the activities of state corporations, it is necessary to highlight the following: the growth of corruption and almost complete irresponsibility to the state and society, the weakening of the competitive environment, the exclusion of private companies from the industry sector, which could take a worthy place in the innovation process, inefficiency and conservatism of public administration and management of state corporations. So, gratuitous transfer of property to state corporations in the absence of proper control by the state contributes to the opportunistic behavior of their top managers. In addition, the latter have a real opportunity to withdraw public

funds for personal enrichment, which is achieved, for example, on the basis of concessional lending and subsidizing of state corporations and other forms of state assistance by overstating the costs of procurement, construction and repair.

The monopolistic position of state corporations contributes to the conservation of the industry, undermines the economic motivation to continuously improve the efficiency of operation, to increase investment. At the same time, the nature of state property, which, at such a scale of joint appropriation, depersonalizes the owner, weakens the economic motivation of its subjects to the effective use of its facilities. In the absence of strict control by the state and society, all this is aggravated by the donation of property to state corporations.

It should be noted such obvious miscalculations of the legal the status of state corporations, such as:

- the insufficient degree of specification of the goals of their foundation, vagueness and too general nature of the formulations defining these goals, which creates a certain possibility of their distortion in practice, the arbitrary expansion of their composition, and also makes it difficult to monitor their achievement;
- unjustified risks for the preservation and effective use of public property transferred to state corporations, generated by an excessive discrepancy, on the one hand, between the degree of liberalization of their rights enshrined in laws to be ordered by state-owned material and financial assets transferred to their property, and, on the other hand, the almost complete absence in the laws any norms that establish adequate to the scale of the state property is responsible for achieving the goals for which they were created, as well as for the effective use of state property transferred to them;
- excessive, legally fixed degree of exemption from almost all forms of state control over the use of the enormous state resources submitted to them and the compliance of corporate activities with the goals of their creation;
- the illegality of removing state corporations from the federal law “On public procurement”, which creates risks of corruption, since the order placement procedures used by corporations do not

provide for transparency and publicity of their bidding, creating the possibility of a selective approach to the choice of suppliers;

- negligence, vagueness and inconsistency of the legislative formulation of the property relations of state corporations, which consists in the illegality of their identification as the sole owners of the resources transferred to them. Despite the fact that the laws on the creation of state corporations position them as the only subjects of state property transferred to them, in fact, the content of the same laws follows: the partial rights of the owner of the resources of state corporations are also reserved for the government, which is prescribed by the same laws to approve a number of basic parameters of their activities determining the use of corporate property.

The above-mentioned shortcomings of the legal construction of this legal form testify to the inadequacy of its quality to the serious tasks of mastering modern technologies and the development of innovative processes, the solution of which is legally charged to and included in the structure of the goals of creating most of the educated in 2007 state corporations.

All of this is aggravated by the lack of effective control over the management of public corporations, an effective way to assess the effectiveness of their management, a high proportion of risk and uncertainty of investment projects and tasks set, the lack of sanctions for their non-implementation, and strict control over the spending of public funds. Moreover, the monopolistic position of state corporations contributes to the conservation of the industry due to the low motivation for effective investment.

In addition, state corporations (among them Rosneft) demonstrate the highest level of remuneration of top management in Russia, which contradicts the very purpose of creating state corporations. So, in 2013, according to the rating of the most highly paid general directors prepared by Forbes magazine, the total remuneration of top managers at Rosneft for 2012 amounted to \$ 292.6 million. This company is no exception, in addition to it another 12 state companies with a remuneration of \$ 226 million (in 2012, 11 state companies with a total remuneration of \$ 147 million) were included in the Forbes rating.

Private companies also pay fees, but they are significantly lower than state companies. So, in 2013, according to Forbes, they paid \$ 99 million (in 2012 - \$ 97 million). For comparison, in the first half of 2013, the private oil company LUKOIL paid out bonuses to members of the board in the amount of 2.166 billion rubles. (69 million dollars).

Possible recommendations for improving the management of public corporations:

- the return to the state control functions for the activities of state corporations and their management;
- the adoption of a unified code of rules for all management bodies of state corporations;
- development and implementation of a shareholding program with the subsequent privatization of state corporations.

It is necessary to improve the quality of management in state corporations, which is able to bring management decisions to implementation and exercise control over the implementation of these decisions at all levels. In addition, due to the low transparency of most state corporations and inefficient corporate governance in them, according to international corporate management practice, it would be necessary to increase the number of independent directors (at least a quarter on the board of directors) in a state corporation. However, if independent directors are dependent on top management in state-owned companies and state corporations, this measure may not always lead to the desired result of increasing the efficiency of the state corporation. Large-scale injections from the state budget should also be called a negative feature of the management of state corporations, since it seems more appropriate to direct these funds to removing administrative barriers for small and medium businesses, as well as reducing the value added tax, which has a destructive effect on production with deep processing of raw materials. and contributes to the primitivization of industrial sectors of the economy.

4. Discussion

Public administration, on the one hand, as a system, is a combination of elements (bodies, positions) and sustainable relations between it (provided by functions, powers, duties), but on the other hand,

due to unbalanced and unsustainable relations between elements, strictly speaking the system is not consist. In our opinion, it is precisely the absence of separate links between the elements of the system due to their destruction during the beginning of market reforms in Russia, which led to the loss of controllability of the sectors of the national economy. The change in the socio-economic structure and the transition from predominantly state-owned to predominantly private property on the basis of privatization led to the breakdown of nets in the production chains of the former sectoral structure.

Privatization of individual enterprises changed the structure of the production cycle model, and due to weak competitiveness of products (most due to costly evaluation) and the abolition of the state monopoly on foreign trade operations, the former Soviet enterprises, being privatized, could not compete with foreign producers, and were forced to reorient focus of activities or significantly reduce the production of the former type of activity. This is precisely the reason for the closure of the majority of processing enterprises, factories of heavy industry, machine-tool production, and factories of light industry. They simply could not ensure profitability comparable, for example, with such type of economic activity as renting out premises or trading. In place of the old Soviet factories, markets, clothing fairs, and shopping centers opened up everywhere. The gaps in the production chains led to the fact that gradually, due to the “withering away” of the final producers, the previous links along the chain were gradually eliminated. The viability was preserved for the most part only by the first raw materials mining links. As there was no demand for their product in the country, they reoriented for export. So, gradually, due to the breakdown of industrial relations, the country became a supplier of raw materials and a consumer of imported final goods. At the same time, the state could not influence on this processes, despite appeals of opposition representatives due to the fact that the right of private property, including the possibility of independent determination of the market strategy of an enterprise. Government intervention would turn private property into fiction. In any case, in connection with the adoption of the Coasian direction of institutional reforms [13], government intervention would not fit the logic of the economic policy of the period 1991-2000. It is important to

note here that, although the right to private property was proclaimed, only a few citizens close to the first person of the state could *de facto* use it. Check privatization allowed all citizens to take part in the privatization of the national economy, but violations in the activity of check investment funds led to the loss of this right among the majority of the population.

Disruptions in the production chains were reflected, naturally, in the destruction of sectoral management as a subsystem in the structure of government.

The change in the components of the state sectoral management system led to the formation of a new national economy architecture in Russia, where extremely negative results are observed.

This formulation of the question allows us to take a different look at the scientific problem of the development of sectoral management through a functional approach. The above logical conclusions lead us to determine which functions of government are provided with the necessary tools, which, in turn, will allow us to assess the quality of their execution.

As it is known, A.Fayol distinguished 5 essential management functions: planning (foresight), organization, disposition, coordination and control. As a system of government in Russia, it is possible to implement these functions on the basis of the following table.

Table 1. Characteristics of the quality of the implementation of functions in the system of public management

Function	Characterization of the quality of implementation in the system of state management of the economy
planning (foresight)	A federal law on strategic planning has been adopted, documents have been developed at the regional level, a transition to a program-targeted budget is under way, national projects have been adopted and are being implemented
organization	The system of state authorities is formed and organized in accordance with the constitution, the federal law on the government of the Russian Federation and the presidential decrees on the structure of the executive bodies
disposition	It is carried out under the authority of public authorities, on the basis of budgetary allocations and tools for managing state property
coordination	There is a development of this function in the new composition of the government through the empowerment and responsibility of vice-premiers in the areas [Osipov, 2016], as well as through the project office. Nevertheless, it is here that the greatest failure is observed in the system of government in the framework of the functional approach.
control	is exercised by the Accounts Chamber of the Russian Federation, law enforcement agencies, the President and the executive authorities within its competence

The identified coordination dysfunction in the system of government, in our opinion, is the "Achilles heel", which led to the loss of controllability of the sectors of the national economy.

The coordination function needs a methodological support for its launch; otherwise, the public administration system cannot be considered complete, since functional links are not fully established.

In the period from 2000 to 2007 manual control system was rejected by Vladimir Putin, President of Russia. This can be traced by his speeches at various events using the site www.kremlin.ru. In 2007, especially towards the end, several unfavorable positions were formed for the country's economy. The decline in oil prices began to be felt (the main export commodity and the budget filling tool), the country became closely dependent on oil prices (this feeling arises precisely against the background of lower oil prices, and not during the

period of their growth), service the raw structure of the economy did not allow for quick maneuver and changes in the macroeconomic model. As a result of these factors, by 2008 it became clear that the service and raw materials model had exhausted itself, but no new model was proposed. But after 2007, the situation changed and the mode of manual control system of the economy was adopted and is still in use.

At a meeting with the business 12 years ago, Vladimir Putin said about the manual control mode, "that this is, in principle, possible." It is safe to say that it was in 2007 that the idea to form a sectoral management system in new market conditions appeared, and the main role was assigned to state corporations as the basic elements of sectoral management in the national economy and, at the same time, a new intermediate level in the public

administration system - between federal level and micro level (level of enterprises). When it came to implementing the May decrees of 2012, the final decision was made. May 7, 2013 at a government meeting, Vladimir Putin said: "One may argue and swear as much as possible about the so-called manual control method. But let us introduce such a system that works effectively." At the same meeting, the President heard the ministers' reports and distributed instructions to them. This, in our opinion, was the moment of final consolidation of the manual control mode as the main decision-making mechanism in the field of economic development.

Ignoring the name of the management bodies, let us turn only to the structure of the former (late Soviet) system of sectoral management and our modern system, which has been operating since 2007.

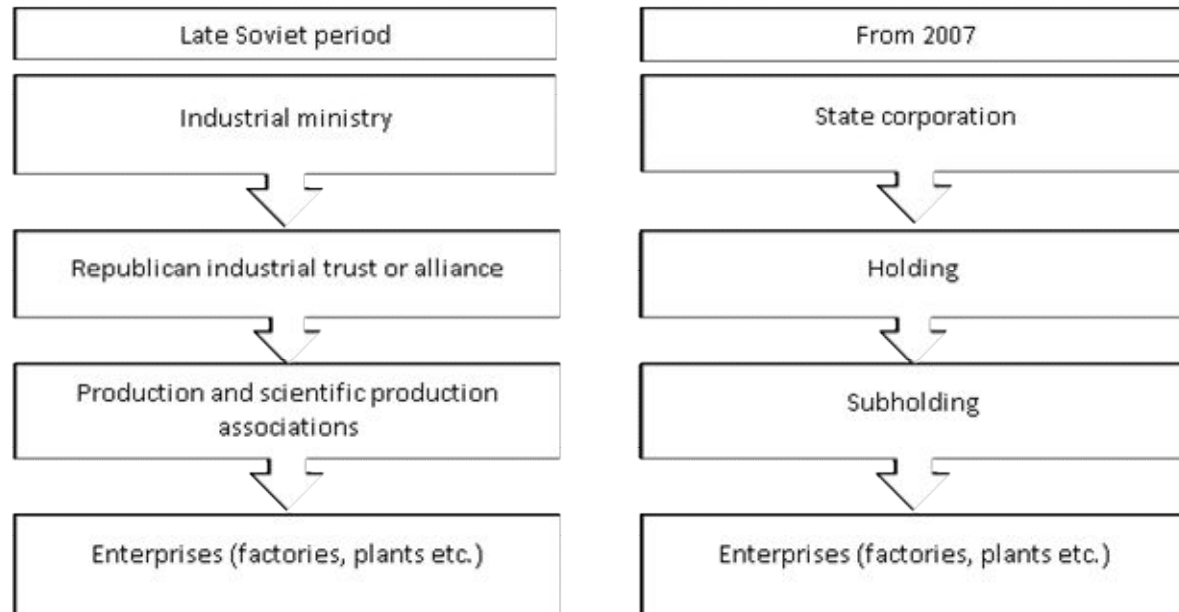


Figure 1. Systems of sectoral management in the late Soviet period and in the period since 2007 in connection with the formation of state corporations

The left part of Figure 1 shows the organizational structure of sectoral industrial management in the USSR, and the right-hand side shows the structure of management in modern period. In the Soviet period, the industrial ministry was the central government body that managed one of the industries. Republican industrial trust or alliance - the middle link of the organizational structure of the industry; can cover the sub-industry level on the scale of the Union, republic or a particular region.

Production and scientific production associations are the main link of the sectoral management system, which has an independent balance sheet, which has the rights of a legal entity, and is subordinated to the Republican industrial trust or alliance.

In 2007, with the formation of the State Corporation to promote the development, production and export of high-tech industrial products Rostec in connection with the adoption of

the Federal Law of November 23, 2007 No. 270-Ф3 “On the State Corporation “Russian Technologies””, it became clear that model of national economy management in the country is changing. It was during this period that the President of Russia began to gradually introduce the manual control system as we noticed earlier. Until 2007, the direct question about the introduction of the manual control mode was always followed by a negative answer. In 2007, cautious exponentiation of public opinion began, and the idea was carefully expressed that it might make sense to think about manual control. And with the introduction in 2007 of the six federal laws on state corporations, the idea of manual management of the economy is already becoming a reality, and as we noted above, already in 2013, the regime received final consolidation. It is important to note that manual control is not a negative or positive phenomenon in the economic life of a country. This is a long-known method of economic management, since almost all countries used manual control, starting with England in the 18th century, the USA after the “Great Depression”, Japan, France, South Korea and

others. Most often, this was resorted to in adverse economic conditions. Practically everywhere, the mode of manual control of the economy gave positive results. It is based on the idea of a protectionist policy - supporting national producers. The establishment of a sanction regime against Russia forced us to look for new ways to effectively manage the economy, and as a result, the process of import substitution began.

Import substitution relies on the manual control mode, as the economy needs a radical restructuring of existing ties, relationships, ways of interaction. The policy of import substitution, as historical experience has shown, is carried out by successive transition through three stages. The first stage is characterized by the closure of domestic markets and the creation of conditions for the organization of import-substituting industries. At the second stage, domestic producers are determined that are capable of producing more or less high-quality products. Such enterprises receive state support to ensure output to the level of world standards. At the third stage, the cultivation of "national champions" - companies that are capable of international competition in the foreign market.

STAGES

I. Strengthening the role of the state in economic relations with regard to the creation of an import-substituting industrial structure

II. Transition to the formation of export-oriented industries

III. The growth of the technological and knowledge-intensive industrial potential, the cultivation of "national champions" - firms that can produce competitive products in the foreign market

Figure 2. Stages of import substitution policy

Although the policy of import substitution began to manifest itself in full force only in 2014, but in 2007 it became clear that it was not easy to win international competition in the domestic market, and it was difficult to even think about the external markets. However, in 2007, sectoral management of industry was organized on a new basis. The

formation of large industrial conglomerates was supposed to restore economic nets between enterprises through the restoration of vertical management. The most striking example of such a vertical structure, in our opinion, is state corporation Rostec. Its annual reports clearly

demonstrate the implementation of the policy of import substitution.

If we compare the systems of organization of sectoral management in the USSR and modern Russia, then there will be quite a lot of similar positions, as follows from Figure 1. Firstly, it is obvious that the structures have similar levels of control, both in number and in functionality. Secondly, the main decision-making mechanism in both cases is the vertical from top to bottom. Thirdly, there is a similarity in budgeting systems - targets that are directed from top to bottom in a prescriptive mode.

However, the differences should be taken into account. In the past, the methods of the administrative system were used instead of market pricing, which distorted the totality of economic relations. In modern Russia, market pricing makes it possible to use resources more efficiently and distribute products, which obviously adds stability to the modern management structure of the national economy sectors.

The conclusion that follows from figure 1 is obvious, since 2007, the country began the period of restoration of the sectoral management system along the lines of the late Soviet model, but it was based on market instruments. An important point in the study seems to us the fact of a change in the direction of institutional policy from Coasian to Pigouvian in terms of sectoral management, but, as always, with Russian specifics.

Pigouvian type of institutional policy provides for the creation of a set of institutions that contribute to the independent choice of an enterprise development strategy based on the state provided certain incentives in economic policy (for example, French economic policy with a central super-ministry of economy, or EU agrarian policy, in both cases are the type of indicative planning which provides a coordinating function on a market basis using tools cops promote and encourage the desired behavior economic actors). Coasian type involves solving three institutional tasks: limiting monopolistic activity, reducing transaction costs and protecting private property rights. When these problems will be solved, market relations will be established, and all other problems of economic development will be resolved without state

participation on the principles of self-organization. The second path was chosen at the beginning of market reforms in Russia, propagated unsuccessfully until 2007, but after adopting the manual control mode, the transition to the Pigouvian recipes was carried out gently. Unfortunately, the transition was not complete, which created a certain lag between the propagandized regime and the real implementation of economic policy. The provision of a coordination function needs a manual control toolkit, which currently focuses more on object management, when the efforts of the controlling subject are directed to the solution of specific short-term operational issues. It is necessary to consider the possibility of systematizing the manual control and the soft direction of actions of all objects of management in the necessary strategic key on the basis of indicative plans. It is obvious that Coasian recipes can be effective in mature capitalist systems, whereas for developing markets with traditionally strong state participation in economic relations, preference should be given to Pigouvian ones.

Coordination through Pigouvian type, due to the gauge effect, will not allow skipping over the stages of development of the economic system, which means that attempts to impose Coasian recipes will lead to the obligatory mutation of adopted institutions. Attempts to embedding Coasian receipts, bypassing the stage of Pigouvian at the beginning of market reforms in Russia, led to the state's withdrawal from regulating the process of transition to market relations.

The resulting vacuum authorities tried to fill the various bandit groups. That is why, by 2007, it became clear that the mode of manual control of the economy is desirable. The self-organization of market relations did not occur, and the institutions that were previously embedded in accordance with Coase's theory were mutated.

Pigouvian recipes can change the organization of economic relations, but this requires a sustained commitment of the authorities to the policy of import substitution. However, at present there is more likely a departure from it and a return to the idea of market self-organization. Thus, the formation of state corporations was a landmark event in changing the logic of economic policy, but, at the same time, a turn away from the policy

of import substitution marks a return to the co-development path. Such indecisiveness or variability of the logic of economic policy affect the investment process, because economic actors are very sensitive to changes in economic policy, especially in countries with developing markets and a strong state.

In our opinion, it is important to consider the management systems in modern state corporations and industrial ministries of the former USSR in order to determine the degree of similarity of the internal organization of sectoral management. Thus, in the management system of state corporations and, accordingly, control, there is a "dual power", which is confirmed by the analysis of the relevant federal laws. Thus, federal law No. 107-FZ "On the Russian Corporation of Nanotechnologies" (as amended on May 31, 2010) in Article 6 "The Relationship of the President of the Russian Federation, State Authorities and Local Governments with the Corporation: 1) The President of the Russian Federation appoints position and relieve the Director General of the Corporation, and the Government of the Russian Federation appoints and dismisses members of the Supervisory Board of the Corporation, determines the amount of remuneration of the General Director of a Corporation and the terms and conditions of investment of temporarily free funds of the Corporation and its maximum size" The report of the Corporation is sent to the Government, the aggregated data of the annual report, and the report on the results of the monitoring are sent to the President (Article 7 p.4-5). Further, the supreme body of a state corporation - the supervisory board - five members are appointed by the President, five members - by the Government, two members by the State Duma of the Federal Assembly of the Russian Federation.

There are similar elements of double control in the state nuclear corporation Rosatom. In accordance with the Federal Law on State Corporation "Rosatom" dated December 27, 2017 No. 541-FZ in Article 5 "Powers of the President of the Russian Federation and the Government of the Russian Federation in relation to the Corporation", the President approves the list of joint-stock companies that are federal property shares to be transferred to the state corporation as a property contribution of the Russian Federation, the list of federal unitary enterprises to be transferred to the corporation. The

president appoints the chairman and members of the supervisory board, as well as the general director. The government also approves the procedure for transferring the property contribution and a list of federal property, a list of federal government agencies transferred to the corporation. At the same time, the order of transactions with shares is distributed among the institutions of government.

In May 2007, the Government of the Russian Federation by Decree No. 310 of May 26, 2007 "On Measures for the Establishment of the Open Joint-Stock Company Atomic Energy and Industrial Complex, which was included in Rosatom in the same year. In the section on the legal status of the company, the statute of the Atomic Energy and Industrial Complex Open Joint-Stock Company stresses that: "The Company, as well as its subsidiaries and affiliates make transactions related to alienation, alienation or transfer to trust management of their shares: of joint-stock companies included in the lists of Russian legal entities approved by the President of the Russian Federation in accordance with the Federal Law "On the Use of Atomic Energy" five of which are nuclear materials, nuclear installations - only with the consent of the President of the Russian Federation; and shares made in accordance with the decision of the Government of the Russian Federation to the authorized capital of the company, only with the consent of the Government of the Russian Federation. Transactions made without such consent are void". Federal Law on the State Corporation "Rosatom" No. 270-FZ of November 22, 2007 in the article "The Supervisory Board of the Corporation", which acts as the supreme governing body of the corporation, also identifies a dual approach to management. The supervisory board of the Corporation includes 11 members: four representatives of the President, two represent the business community and the general director, a member of the supervisory board according to their positions, who are appointed by the President of the Russian Federation, the rest are the prerogative of the Government.

The industrial ministries of the former USSR were organized on the principle of unity of command, the minister was personally responsible for the state of affairs in the industry entrusted to him. Collegiums were formed in each ministry (about 15 people), the composition of which was approved by

the USSR Council of Ministers. The Republican production alliances were also headed by the head on the principles of unity of command, but the board of directors operated with it. Thus, in the Soviet period, management in the sectors was formed on the basis of unity of command, without any duality, which not only increased the responsibility of decision-makers, but also strengthened the vertical management of the industry. This not only allowed more efficient use of resources, but, in contrast, made such structures less flexible. However, flexibility in the situation of the administrative system replacing the market was not required.

As can be seen, in state corporations that determine the innovative and technological development of the country, control over their activities is not sufficiently centralized. Developing a model of innovative development of the country is the prerogative of researchers, not of large managers. The insufficient quality of management in state corporations is determined by the following: the vagueness of the goals of the state as an owner; inconsistency of interests of the state and private investors; failures in developing a unified position of various state bodies in relation to state-owned companies; weak responsibility of state bodies and managers for the efficient use of state property; the insufficient contribution of the boards of directors and representatives of the state on these boards to ensure high-quality corporate governance in state-owned companies. Management in state corporations, in which huge assets, budgetary funds and lending opportunities are concentrated, should be clearly focused on the achievement of final results at the expense of the latest technological solutions, and here it is necessary to introduce control over the achievement of targets and personal responsibility of managers.

5. Conclusion

Institutional analysis in our research shows, that modern stage of economic development of the Russian Federation can be characterized as restoration of late Soviet system of sectoral management. According with changes in institutional policy from coasian receipts to pigouvian ones in frame of import substitution policy and broken links and nets in frame of production chains it was necessary to find a mechanism of organizing production chains on the

basis of market economic laws. We notice the great role was given to state corporations as budget actors of sectoral management. Of course, budget investments instead of private is a step out from market economy, but without strong links and nets between enterprises it is impossible to build strong economics too. This dichotomy partially justifies the creation of state corporations as new strong actors in economic activity. From the other hand, as we noticed, it is better to decide a problem of monopole position of state corporations in some sectors, to solve a task of duality in their subordination and weak control from the side of state.

Any way state corporations are the reality of Russian economy for nowadays, and hopefully, some day they will be share and privatized on the basis of law, without criminal aspects and for real market prices.

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