

# Can Russia Build a Non-Profit Capitalism?

## New Quasi-Market Forms to Manage Public Wealth

### 1. Introduction

Russians as nation have very limited understanding of how to manage wealth, both meaning the wealth dug in the earth and our personal financial resources. The purpose of this article is to try and explain why this kind of wastefulness lives in the minds of the nation and what forms of public wealth management have evolved if we look at management of the public resources through the eyes of the State, pro-State institutions and private business elite.

The shift to capitalism in Russia was unable to act as a solution to major environmental problems. Moreover, barbarity towards natural heritage is now supported on the government level for the purpose of increasing the wealth of individuals in power. At the same time there is a dualistic nature of behavior related to human interaction with the outside world. On the one hand, average Russians, especially representatives of ethnic nations who traditionally occupy certain territories witness an everyday damage to environment caused by barbarian industrial production, which is intensified to maintain the growing wealth of the Russian business elite. On the other hand, they themselves often cause environmental damage, but for the reason of basic survival.

It is obvious that at this point in history the public sector needs new forms to manage the country's wealth. Lack of efficiency related to government exposure to commercial projects along with sabotaging actions from the state body in reply to any initiatives that threaten its existence in the form of rent taker force the government to invent new forms of asset management. Let us go through some points that have led to this and cover some of the consequences that arise due to the new trends related to state management of public wealth.

### 2. Some Philosophical Aspects Behind Wastefulness Towards Wealth in the Past and in Modern Russia.

In 2009 Christmas Eve in Russia was marked with the sad accident of a helicopter crash in the Altay Mountains. The news spread fast due to the fact that one of the passengers on board turned out to be the representative of the President of Russia in the State Duma A. Kosopkin.<sup>1</sup> Back then it was hard to imagine that the impact of the accident may lie beyond the family tragedy of several people and become a talking illustration of relations between the state and society as a whole.

---

\* Finance academy under the Government of Russian Federation, Moscow

<sup>1</sup> Gazeta.ru 14.07.2010.

When the Internet community learned the details of the crash, people were shocked. The investigation showed that the representative of the President, the person who should personify the idea of priority of Law, was in fact himself breaking the law in the most cynical manner. Mr. Kosopkin initiated helicopter hunting in a national park<sup>2</sup> (where hunting is strictly prohibited). What is more he hunted argali (Caucasian goat), an animal protected by the Red Book and in fact a sacred animal for the local population.

The described accident is not the first and unfortunately not the last one that happened in 2009. And one common thing for all of them is that only deaths of high-ranking officials reveal deep penetration of personal interests into unofficial, real politics that brings the debate on the relations of the state and society, society and nature to a new level. We need to admit that corruption is not a special Russian phenomenon. The same problems are typical for the rest of the post-soviet states. And even countries with a much more developed democracy can hardly claim victory over corruption, though the scale of the latter is considerably smaller than in the Commonwealth of Independent States.

However, apart from the systemic problems of the state that exist practically in any country, there is a special feature of Russia that we need to consider. Nature and resources that were left to Russians by the previous generations are not regarded as a subject to be used thoughtfully and restored from the historical damage (wars, pollution from the first wave of industrial production, etc). Instead the mentioned heritage is viewed as a source to increase individual wealth and status. And the tragedy that we witness today is that the majority of the population of Russia shares the same approach with the government.

The attitude towards nature and resources that we see as a part of Russian mentality has been shaped by two factors: corrupted government policies and boundless territory of the country. Until recently it was officially considered that Russian natural resources are inexhaustible. For ages of history kilometers of space were tempting people to move from place to place once they felt the scarcity of resources. When it was economically justified to explore new territories instead of digging in the dirt of existing settlements in search for efficiency, who would want to be green? This is, probably, one way we can explain the culture of extensive growth of settlements over the territory of Russia.

Russian literature saw the likeness of the boundless territory and generous Russian spirit as the starting point of the catastrophe that the society is about to face. In particular, F. Dostoevsky's character Mitya Karamazov said: "Beauty is not only an awful power, but also a mysterious power. Beauty is a fight between the God and the devil, and the battlefield is in the heart of every human being."<sup>3</sup> Later, in the beginning of the twentieth century, in the midst of social disruption Russian thinker N. Berdyaev noticed that to a large extent unlimited land resources influenced the understanding of Russian people, that it is impossible to settle and develop such a huge space.<sup>4</sup> This, probably, could have determined the typical

---

<sup>2</sup> Federal Law on protection of natural reserves.

<sup>3</sup> Dostoevsky 1880.

<sup>4</sup> Berdyaev 1937.

way of life that Russians tend to choose. Specifically people tend to roam and change common surroundings if that brings benefits in terms of work to civilize their previous settlement. Thus a dream of a better life easily goes along with destruction of the environment and in a broad sense the basis for human existence. "My native country is so large: there are so many forests, fields and rivers, that I simply don't know any other country where a person could breathe that freely," sings one of the most popular songs of the Great Stalin era.<sup>5</sup>

Another aspect worth mentioning is that for several generations a solicitous attitude towards the environment was not even an issue, because people were focused on simple survival. Urbanization and industrialization became a force that washed rural population out of the suburbs to the growing cities. This basically strengthened the sentiment that urban and industrial expansion towards former agricultural lands is only a matter of time and very little depends on separately living people and nations.

In this case it is increasingly hard to call average individuals to thoughtful environmental actions when natural attractions are hidden from them behind the pipes of chemical plants or metal smelters. On the one hand, with the collapse of the Soviet Union the country was supposed to move away from industrial giants causing pollutant emissions: there was a decrease in demand for military products that are heavy polluters, market focused production opposite to centrally planned systems usually strives to use new competitive technologies, etc. But, instead of expected positive shifts in technology of production, none of them occurred. Today's Russian oligarchs are not very interested in investing in environmentally damage free solutions. Sucking all out of given resources is considered to be the only driver for competitiveness on the world markets. Unfortunately, the government plays the same destructive role as the business does. That is probably the reason why recently state officials eagerly supported creation of a new giant power company.

This way we can conclude that a shift to capitalism in Russia was unable to act as a solution to environmental problems. Moreover, barbarity towards nature is now supported on the government level for the purpose of increasing the wealth of individuals in power. First and foremost this can be illustrated by the example of takeover of lands in the city suburbs. Historically forests around Moscow were protected from any construction activities. Back in the 18th century empress Ekaterina II prohibited deforesting the mentioned areas.<sup>6</sup> But today very few seem to remember that. More than that, instead of 100 meter wide forest cutting to make a road as per the design, we often see up to 3 kilometers wide cutting to use the surplus land for development of commercial outskirts. It's unnecessary to say that revenues from such development projects have nothing to do with revenues of the state budget. Very rarely when such frauds become known to the public the government is forced to decrease the number of scheduled land auctions. Unfortunately, such cuts don't change the picture.

---

<sup>5</sup> Vechernyaya Moskva 01.09.2005.

<sup>6</sup> Dengi 29.03.2010.

On the contrary, for average Russians, especially those living in the regions of the country, the use of natural resources (not oil and gas, but rather rivers, forests, agricultural land etc.) has become one of the main ways to make a living. During one of his visits to Siberia in the first presidency V. Putin was interested to know how average people lived and how local authorities supported them. Governor V. Kress came out with an amazing answer: "People do fairly well thanks to subsistence farming and foraging."<sup>7</sup> To be precise, to describe the way that the local population lived, the governor used the word combination that can be translated from Russian in two ways: collecting wild growing herbs or people going into the wild. This simple word play displays the depth of a problem with living standards in Russia, which again proves that any potential thoughts of green behavior are currently dominated by thoughts of food and shelter.

So once again we reach a conclusion of dualistic nature of behavior related to human interaction with the outside world. On the one hand, average Russians, especially representatives of ethnic nations who traditionally occupy certain territories witness an every day damage to the environment caused by barbarian industrial production, which is intensified to maintain the growing wealth of the Russian business elite. On the other hand, they themselves often cause environmental damage, but for the reason of basic survival. And again we see that the beauty of nature itself plays a provocative role, often awakening the human soul to meanness and greed instead of winged sentiments. The question remains: how can one change the attitude to nature as a source of immediate satisfaction to start thinking of it as a heritage bringing lasting value to the next generations?

### **3. Defining Problems Behind Attempts to Manage Public Resources.**

It is considered that public authorities should promote environmental responsibility among the different social strata. Nevertheless in Russia both in the times of the czars and soviet leaders, the way of life promoted by the country's elite was far from religious views or soviet moral principles. The special aspect of the soviet era was a neutral attitude of the population to discrepancies between declared social equality and unofficial privileges of the ruling establishment. This was primarily gained by horridification as a result of repressive measures taken by the government. In modern Russia, however, the priority of money as an ultimate value stimulates people to take an active position in search of all possible ways, including breaking the law and corruption, not to get fooled by the government. And to a certain extent this behavior is explainable. In case every rule turns out to be a double standard, who would want to follow the rules? We need to admit that total ignorance of moderation and self-containment by a few put the rest at risk of living with illusions of a fake world that can not exist in any normal society. Thus if we expect Russian national mentality to change, the parasitic way of life shared by the modern Russian elite should be subject to radical changes as well.

Unfortunately new-day social science views private ownership as one of the most efficient instruments to combine progress with saving of the resources. But this statement runs

---

<sup>7</sup> Text of the interview, <http://kress.tomsk.ru/publications/interview/posts/610/>.

counter to common sense simply because such resources as water, air, forests and mineral resources remain in public ownership. In addition to that global financial crisis forced many governments to nationalize a big part of resources that have been previously handed over to private institutions. One of the explanations to that may be that so far science could not suggest an indicator to evaluate the efficiency of management in social projects that would be as good a criteria as profit for commercial projects.

In the era of global economy it is amazing that the opposition of local elite brings to naught almost all the initiatives to implement best practice of management for publicly owned resources or to create unified standards to estimate work efficiency of national governments. Instead, the best solution to all the problems is considered to be a super management team that once it gains power will immediately restrain abuse of power by private business and effectively manage publicly owned resources. Well, the only question then is why these management teams and top managers change with a speed of sound? (For example, in case of Sochi Olympic construction 4 city majors and 3 CEOs of Olympstroy have been replaced by new candidates in less than two years<sup>8</sup>).

The infinite belief that human resources in top executive positions of the political system are a vital element for the country has remained strong throughout the years of reforms. On the first stage of Perestroika there was a hope that privatizing inefficient publicly owned assets can help to get rid of superstructure represented by the Soviet Party. However the outcome seen in the 1990s was the concentration of the majority of resources in the hands of another limited group of individuals also known as the Russian oligarchs.

An interesting fact about the mentioned process is that along with yielding some of the powers to the private sector the public sector saw a growing bureaucracy. The headcount of government officials by the end of the 1990s was twice bigger than in the era of Stalin and Khrushchev and 1.5 times bigger than in the era of Brezhnev and Gorbachev.<sup>9</sup> We need to remember that when we think of the fact that the population of Russia is now twice smaller than it was in the USSR. In search of excuses for such bureaucratization Russian government explained that the growing state machine is required to launch the necessary institutions for capitalism. Nevertheless, no quality growth of such institutions was observed. Moreover indicators of economic development dropped (for instance, industrial production halved).

In addition to that the spheres where Soviet progress was huge enough to serve as an example to other countries – education, science, culture, medical science, - have experienced a severe drop both in financing and quality of services to the population. Moreover, even in remaining sectors where the government support allowed for the social services to be provided on a decent level, corruption has spread its roots to parasite of the budget. This way an average individual who pays taxes out of his not very big salary needs to pay additional non-official fees to get access to the social services he or she should be

---

<sup>8</sup> Profile 20 01.06.2009.

<sup>9</sup> Vedomosti 21.07.2010.

entitled to by law. The worst thing is that even bribes can not guarantee the quality of services.

By the end of the Yeltsin era the ruling elite realized a necessity for a new political strategy to secure their influence. No one has actually seen the published version of Putin's plan even when the ruling party was preparing for elections, but one of the major items on the list, if one reads between the lines, was transferring control over the major resources from historically evolved oligarchs to the new loyal elite.<sup>10</sup> Generally speaking this new form of ownership can be described as state capitalism. A good example of how reallocation of the resources worked can be observed on the example of the break-up of the Yukos Empire to be owned by state controlled Gazprom and Rosneft.<sup>11</sup> The result of such "acquisition" was reflected in skyrocketing growth of managerial costs, but was luckily balanced out by favorable oil prices and monopolistic position on the market. What was hard to cover up is poor motivation and limited experience of newly appointed managers who started their career in special government services.

If we look beyond the natural resources sector we'll find that up to 90% of state and municipal enterprises became bankrupt.<sup>12</sup> Attempts of simultaneous implementation of several institutional reforms, for example privatization of land and forests, played for the benefits of bureaucracy and made the latter even more loyal to the ruling regime. What makes it worth, on the back of constantly cash fueled corrupted decisions bureaucracy tends to veto any initiatives that don't bring profit. Independent research shows that over the 2000s the share of bribes related to the implementation of state contracts rose from 10% to 30-40% and now makes up a quarter of GDP.<sup>13</sup> Mistrust of the government concerning its own structural parts drives up the number of inspection that only proves Parkinson rule. As a result of everything mentioned above, we once again see a growing number of state officials (1.5 increase over 8 years of V. Putin's presidency<sup>14</sup>) and growing prices for basic consumer goods (in the case of housing, the growing price spiral made it unaffordable for the majority of the population).

#### 4. New Quasi-Market Forms to Manage Public Wealth.

Lack of efficiency related to government exposure to commercial projects along with sabotaging actions from the state body in reply to any initiatives that threat its existence in the form of rent taker force the government to invent new forms of asset management. One of the new elements of privatization in 2006 was handing over control over services provided by the state to so called autonomous institutions. Providing chargeable services in monopoly sectors of the economy which was backed up by the inflow of state finance, allowed autonomous institutions maintain full control over its headcount and salary level,

---

<sup>10</sup> NEWSru.com 15.11.2007.

<sup>11</sup> Vremya i Dengi 10.01.2008.

<sup>12</sup> TACIS roundtable 2005.

<sup>13</sup> Frankfurter Rundschau 11.08.2009.

<sup>14</sup> Novye Izvestia 23.06.2010.

manipulating the tariffs. Currently there is no law that limits the scoop of privatization (just a few remarks regarding medical care). For instance, currently a big lobbying campaign has been launched to support independent calculation of tariffs for real estate registration services as well as services dealing with cadastral registering of property. The initiative again suggests transformation of budget institutions to autonomous institutions. One thing that remains unclear is why the government started to yield its functions long before the global economic crisis, when the budget system was enjoying a surplus of financial resources and a minimum level of debt.

The other element of privatization in 2007 (the time when political power has been transferred from V. Putin to D. Medvedev) was associated with formation of various types of state-like institutions: state funds, state corporations and state companies (the last two are considered different forms of enterprises), - that have received a big chunk of state funds and assets based on the ownership right.<sup>15</sup> The legislation classifies the mentioned institutions as non-profit organizations that own assets, handed over to them from the government. This way they differ from open joint stock companies with government's stake where assets are owned by the government. To continue, these assets are to be used not for profit-making purposes, but for large-scale social oriented goals. At the same time it is worth mentioning that there is no list of such goals and basically any activity can be classified this way or the other based on individual's judgment. In addition to that non-profit organizations are not limited in salary levels, are not obliged to make state purchases via public auctions and are immune to bankruptcy. To sum up these additional "privileges" one can conclude that large amount of state funds have simply been transferred out of control of the budget to a set of non-transparent and most likely inefficient institutions.

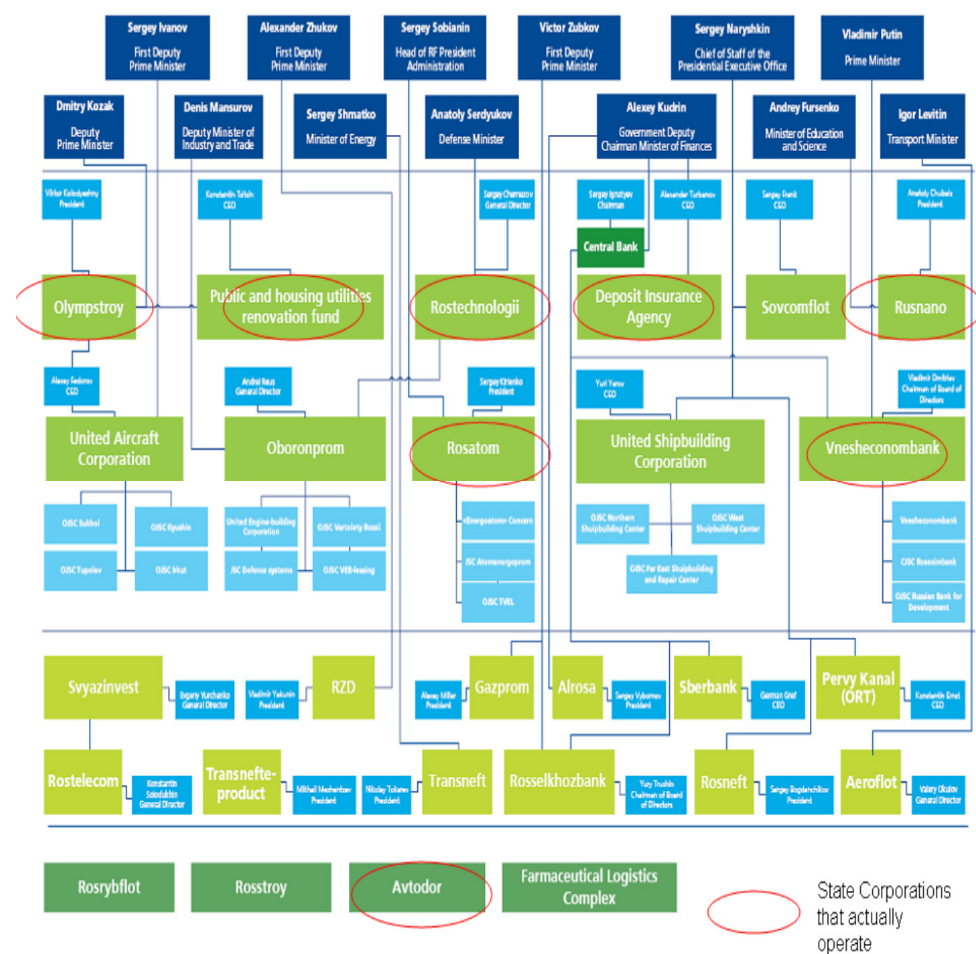
The biggest criticism recently has fallen upon state corporations as the Legislative Council reporting to the President suggested to eliminate such legal form as irrelevant and even not mentioned in the Civil Code. As a result, President D. Medvedev initiated a complex inspection of all state corporations to analyze their efficiency. But it doesn't take to be an analyst to conclude that the only efficient process that follows activity of state corporations is fueling bureaucracy. Using the necessity to invest excessive dollar stock from speculative oil prices as their shield, in 2007 the government created 6 state corporations<sup>16</sup> (increasing the number from only one in 2003) with functions spread from financing of state programs focused on massive repairs of housing to financing of venture funds, that currently combine "advantages" of uncontrolled use of state assets and considerable tax cuts.

---

<sup>15</sup> Deposit Insurance Agency 2009.

<sup>16</sup> Deposit Insurance Agency 2009.

## State Corporation – a new form of government asset management



Source: Deloitte CIS

Chart 1. Roadmap of planned State Corporations in various sectors of the economy

Just to illustrate the resource base of state corporations (see Chart 1) let us mention that in the middle of the panic on financial markets in the end of 2008 Vnesheconombank received a \$20 bln bail out package from the government and another \$50 bln from the Central Bank.<sup>17</sup> Basically we now have the second Ministry of finance that can help distressed companies based on any approach that it considers appropriate. One more example: Rostekhnology received the ownership right over 440 leading companies (in majority cases either 100% or majority stake<sup>18</sup>). If we look at this pool of companies shortly after

<sup>17</sup> Bailout package offered by the Russian government, Official website of the government.

<sup>18</sup> Deposit Insurance Agency 2009.



that we can see that no positive managerial or financial results were gained over that period of time. Instead, the debt burden skyrocketed bringing a good third of the pool to bankruptcy.

The list of examples can be rather long. But what is more important than just the amount of state funds poured out into nowhere is that state corporations have also consolidated some of the government's functions, including that of rule-making and oversight bodies. This way control over state corporations is implemented by the government simply based on annual reviews made by the state corporations themselves. Any federal authority or any other authority does not have the right to initiate any control activities related to state corporations. Without a consent given by state corporations, state bodies also don't have a right to request any information regarding their financial performance or somehow control it. Above that all state corporations operate based on separate federal laws that differ from each other.

One more curious detail: even companies with very specific activities and highly specialized products or services that require strong market positioning (like Gazprom or RZhD) don't have to act as business entities. In other words state corporations are not subject to imposition of profit tax and property tax, neither do they have to pay out dividends or prepare regular reports for shareholders. But the opposite side of such economic freedom and at the same time of the rush that was an integral part of creating state corporations now hardly hits the initial goals that have been set for each of these institutions. In some cases the corporate structure because of its size or due to the poor competence of top management is simply not capable of efficient operations. The example is Olympstroy, the only state corporation that needs to strictly follow the schedule of construction. Within the two year frame Olympstroy has changed three CEOs.<sup>19</sup>

It is evident that behind the declared goals state corporations are a well organized pipeline for budget funds to be transferred out of the government's jurisdiction to new money storage where almost no control mechanisms exist. This assumption explains why after a two year period of operations state corporations disclose nothing except a growing pile of paper projects with very few actually completed. Taken the current proportion it is not very clear why that scoop of work was unable to exist in the old structure of ministries. At the same time the main profit driver for state corporations comes from bank deposits placed with private banks. The further item of expenditure of those deposit gains become bonus payouts for top management. The only inspection of spending funds in the Fund for financing of restructuring of housing and public utilities discovered that 2008 bonus payout for top management would have been enough to repair more than 200 thousand m<sup>2</sup> of housing in the regions of Russia.<sup>20</sup>

The Russian Ministry of Finance that is gradually losing control over the financial situation on the back of dropping tax revenues (in 2009 tax revenues are expected to decrease by

---

<sup>19</sup> Profile 01.06.2009.

<sup>20</sup> Realty Mass Media 22.07.2009.

40% with budget deficit amounting to 9% of the GDP<sup>21</sup>) initiated temporary withdrawal of available cash from the state corporations in order to finance the budget deficit. The mentioned Fund for financing of restructuring of housing and public utilities is expected to transfer back approximately \$2 bln, Rosnano – up to \$1 bln, OlympStroy – \$2.5 bln.<sup>22</sup>

No matter how much we discuss the irrationality of state corporations as an economic entity, those unique business conditions that they provide remain more than attractive for initiative part of the Russian elite. Every ministry strives to have if not a state corporation, at least a holding with a control stake. But the nature of the latter is still similar to state corporations – they claim to be fueled from the state budget. Even with a moratorium to create new state corporations prospects of new companies are being discussed behind the scenes. In particular there are projects to incorporate Grain Export Corporation, Fishing Corporation, Corporation to focus on management of state funds, including the government debt (the law has almost been approved by the Parliament<sup>23</sup>), etc.

One of the companies that managed to slip out of the queue list to begin operation in 2008 was the Fund for support of residential housing construction created to ensure implementation of the federal target program Affordable housing. It is rather hard to define the actual functions that the Fund has. In general the Fund was handed over a land bank that has remained unused by federal agencies and companies in accordance with its permitted category of use. Before the Fund was created the authorized body that manages state property (Federal Agency for state property management) several times failed to withdraw the mentioned land bank due to the fact that landlords invented all the possible tools to keep the land for speculative reasons or earn desired land rent from investment transactions. Thus all the previous attempts to solve the problem by shifting officials in their chairs or by rearranging competencies among the different authority bodies didn't change the state of things.

As a prompt solution just before the president elections of 2008 a moratorium was imposed for any transactions with federal land in the cities and within the distance of 30 km from them<sup>24</sup> (the only exception was made for military institutions). All transactions were frozen before the Fund for support of residential housing construction completed its audit of all used federal lands (estimated \$150 bln worth) and transferred this land bank to its own balance based on the right of ownership. Again, was it so complicated to complete such an audit using the power of federal agencies? Even if that is true, was it that necessary to freeze all transactions with land in order to pick out 1-1.5 mln ha of unused space for construction?

As a result of the moratorium, operations of many large companies that rented land or premises from the government were threatened. This nonsense could have continued if

---

<sup>21</sup> Rianovosti 25.02.2009.

<sup>22</sup> Rossiiskaya Gazeta 07.08.2009.

<sup>23</sup> Deloitte CIS 2009.

<sup>24</sup> Kommunisticheskaya partiya Rossiyskoy Federatsii 28.06.2010.

the impact of the financial crisis had not shifted many of the strategic plans to an operational level. After more than a year that the Fund has spent on working on the described audit the outcome turned out to be nothing more, but a plan to have 20-30 land auctions for construction by the end of 2009. This result could have been gained by any medium size land use company. Why did we have to establish a giant for an operation that can easily be handled by existing resources? The question is still open.

## 5. Concluding Remarks.

It seems to be too soon to make any conclusions in the debate whether it is more efficient to involve business entities in working on social projects by granting them various privileges or if it is better to allow state bodies to operate on a capitalistic basis. Nevertheless, one thing is clear. The experiment to build non-profit capitalism on the basis of state capitalism can be nothing, but a failure. It is senseless to establish new institutions that don't have transparent goals, competences and stand far from any possible control. On the other hand what if the only thing that control does is multiply further inspections? The first results from the analysis of Russian state corporations are rather disappointing.

## References.

A kingdom of bureaucrats. *Novye Izvestia* 23.06.2010.

<http://www.newizv.ru/news/2010-06-23/128694/>.

Bailout package offered by the Russian government. Official website of the government.

<http://premier.gov.ru/anticrisis/2.html>.

Berdyayev N. [1937]: *The Origin of Russian Communism*. The Centenary Press, London

1937. <http://www.magister.msk.ru/library/philos/berdyayev/berdn015.htm>.

Deficit of state budget will reach 9%. *Rianovosti* 25.02.2009.

[www.rian.ru/.../budget\\_economic\\_crisis\\_25022009](http://www.rian.ru/.../budget_economic_crisis_25022009).

Deloitte CIS [2009:] *State corporations: Roadmap of planned State Corporations in various sectors of the economy*.

Dostoevsky F [1880]: *The Brothers Karamazov*. <http://ilibrary.ru/text/1199/p.17/index.html>.

Ex vice-premier accused of illegal hunting. *Gazeta.ru* 14.07.2010.

[http://www.gazeta.ru/news/lenta/2010/07/14/n\\_1520284.shtml](http://www.gazeta.ru/news/lenta/2010/07/14/n_1520284.shtml).

Federal Law on protection of natural reserves. <http://femida.info/31/fzoopt-g03.htm>.

Frankfurter Rundschau, 11.08.2009. <http://www.fr-online.de/>.

Fund for financing of restructuring of housing and public utilities will return bonuses for 2008. *Realty Mass Media* 22.07.2009.

<http://realty-mm.ru/novosti/zakonodatelstvo/menedzhment-fonda-zhkch-vernet-bonusi-za-proshliy-god-s-pomoschiu-genprokuraturi.html>.

*Gazeta.ru*, 14.07.2010. [http://www.gazeta.ru/news/lenta/2010/07/14/n\\_1520284.shtml](http://www.gazeta.ru/news/lenta/2010/07/14/n_1520284.shtml).

Hawksworth J. [2006]: World in 2050. How big will the major emerging market economies get and how can the OECD compete? PricewaterhouseCoopers.

Kuchins A. [2007]: Alternative futures for Russia to 2017. Washington, Center for Strategic and International Studies, CSIS Press.

Moratorium on disposal of Federal lands. Kommunisticheskaya partiya Rossiyskoy Federatsii 28.06.2010. [http://kprf.ru/rus\\_soc/80538.html](http://kprf.ru/rus_soc/80538.html).

Only 9% of Russians are aware of Putin's plan. NEWSru.com, 15.11.2007. <http://www.newsru.com/russia/15nov2007/planputina.html>.

Porter M.E. [2003]: Russian competitiveness: where do we stand? Harvard Business School, Institute for Strategy and Competitiveness.

Report on corporate governance in Russia [2005]. TACIS roundtable.

Shiroka strana moya rodnaya. The Russian song. Vechernyaya Moskva 01.09.2005. <http://www.vmdaily.ru/article/14810.html>.

State corporations in modern Russia. Report, prepared by Deposit Insurance Agency, 2009.

State corporations return bailout money to the budget. Rossiiskaya Gazeta 07.08.2009. <http://www.rg.ru/2009/08/07/jkh.html>.

State officials: -20%. Vedomosti 21.07.2010 #133. <http://old.vedomosti.ru/newspaper/article.shtml?2010/07/21/241151>.

The truth in grain. Dengi 29.03.2010 #12: 1. <http://www.kommersant.ru/doc.aspx?DocsID=1344689>.

Thorniley D. [2007]: Business in Russia 2007-2008. Economist Intelligence Unit.

Top 10 events in 2007. Vremya i Dengi, 10.01.2008. <http://www.e-vid.ru/index-m-192-p-63-article-21291-print-1.htm>.

Who will prepare Sochi for the Olympics? Profile 01.06.2009 #20. <http://www.profile.ru/items/?item=28520>.