

Liudmila Vedmetskaya

Dynamic Capacities of the State as
Precondition for Development:
Anticorruption Policy in Russia

WP 2011-09

Bielefeld University



St. Petersburg State University



***Centre for German and
European Studies (CGES)***



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The paper is written during the internship in the Centre for German and European Studies at the University of Bielefeld in Autumn 2011, which was funded by St. Petersburg State University and spent under the supervision of Prof. Andreas Vasilache.

Liudmila Vedmetskaya is a PhD student of the Faculty of Political Science, St. Petersburg State University

Contact: vedmetskaya@gmail.com



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Introduction

Nowadays we live in an extremely unstable and unpredictable world. Fierce competition for resources, regular economic crises and high social tensions have become constant attributes of our lives. States have to react to present problems: a deep economic crisis, serious problems of safety, international conflicts (the USA and Iran, Palestine and Israel, India and Pakistan, etc.), acts of terrorism, and environmental pollution.

We can hardly deny the fact that the sphere of public administration is experiencing all of these phenomena in the most concentrated form. Challenges of both endogenous (demographic problems, migration issues, the level of criminality and corruption, etc.) and exogenous (world economic crisis, conflicts, dividing of resources, etc.) origins threaten the governance of political and administrative systems of today, so government has to change its preferences. So in these conditions government should elaborate special state capacities, which will be dynamic and flexible.

In the situation of outer and inner threats, politics changes. This situation can be described as a reaction of the state to threats and crises. States should be competitive in the situation of modern global threats, but at the same time in the conditions of high value of universal democratic principles they should develop such abilities; which would not contradict these ideas and principles, but would be successful and effective.

In view of the currency of the designated problem, in this research paper I would like to:

1. Define the concept of “dynamic capacities” with reference to the state.
2. Asretain the importance of these capacities for state development.
3. Reveal the role of dynamic capacities in developing countries.
4. Research the influence of dynamic capacities on the process of modernization in developing countries.
5. Research the example of dynamic capacities (the Russian case: anticorruption policy).

1. The Definition of "Dynamic Capacity"

The problem of dynamic capacities has been actively developed since the 1990s within the realm of the resource theory of strategic management. One of the authors of dynamic capacity concept is the strategic management expert D. Teece. The “dynamic capacities (capabilities) concept” was first used in 1994, and there are still hot scientific disputes around this phenomenon. According to Teece, dynamic capacities include “difficult-to-replicate enterprise capabilities required to adapt to changing customer and technological opportunities. They also embrace the enterprise’s capacity to shape the ecosystem it occupies,

develop new products and processes, and design and implement viable business models” (Teece, 2009, p. 3).

During the period from 2001 to 2009 the number of articles about the problem of dynamic capacities in academic magazines, mentioned by database Web of Knowledge, increased from 10 in a year to 124 in a year. Thus, the works devoted to problems of dynamic abilities, organizational development, and strategic planning became much claimed. Such researchers as D. Teece, K. Pitelis, G. Pisano, E. Shuen (Teece, Pisano, Shuen, 1997, pp. 509-534), R. Nelson (Nelson, Winter, 1982), S. Winter (Winter, 2003, pp. 991-995) etc. developed the dynamic capacities concept. These researchers developed the modern resource concept of the organization, which is based on such concepts as knowledge, sustainable competitive advantages, and dynamic capacities.

Among Russian researchers we can name professor of High School of Management of St. Petersburg State University V. Katkalo (Katkalo, 2006; Katkalo, Pitelis, Teece, 2010), V. Buhvalov (Buhvalov, 2004); T. Andreeva, V. Chajka (they have entered concept "capacity to changes" within the realm of the concept of dynamic abilities of the organization) (Andreeva, Chajka, 2006, p. 6).

For the last few years, this concept has been actively used in economic theories. Now it also becomes claimed in political science for studying the strategic changes of various kinds of activity of the state. In particular, since 2007 the department of public administration led by L. Smorgunov of St. Petersburg State University has been engaged in the research of state capacities (Smorgunov, 2009, Kulakova, 2007, Kurochkin, 2007). Included in this research work were the processes of “increasing of the political-administrative capacities’ level of the state for carrying out the purposes of public policy, the regulating functions in national economy and society”, the increase in administrative decisions-making efficiency, and also for achievement of public values and interests (Smorgunov, 2008, p. 404).

The concept of dynamic capabilities of the firm, appeared within the framework of the theory of strategic management, which looks at the problem of achievement and maintenance of competitive advantage of a firm in the conditions of a quickly varying environment. In the conditions of a changing political system, an increasing competition for resources, and instability of development of a society, there is a question of using the conception of abilities during research of the state, its competitive advantages, features of strategic development, and its ability to dispose of material and non-material resources.

The theory of neo-institutionalism¹ and the concept of New Public

¹ About this theory you can read here: Peter A. Hall, Rosemary C. Taylor. Political Science and the Three New Institutionalism // Political Studies, Oxford, 1996, XLIV, pp. 936-957 or Norh D. Institutions, Institutional Change and Economic Performance. Cambridge, 1990

Management² make it possible to use some ideas of strategic management and the concept of dynamic capacities of the state, both in the whole and in public administration in particular. It is not a secret that the basic concept of dynamic capabilities yet calls for big discussions.

In the given work we understand *dynamic capacities* of the state as such abilities of the government which allow it to react not simply to changes of environment and to adapt to new conditions, but also to promote development and modernization of political-economical systems of the public sphere. This concept helps to find sustainable advantages of the state which help it to develop. As we said, it is not only the ability of a system to adapt, but also to successfully resist the risks, intensity, and constant stress from changes of the surrounding validity.

As A. Solovjev mentioned in his research work, these capacities are not that different; as application by the state of possible technologies for the development of methods of execution of its functions, are anyhow directed on real adaptation of the given institute to external and internal calls. Therefore their set (including reforms in society) and character of change show how the state answers present calls: is the reaction high-grade, partially urgent, or not quite adequate. Anyway, only the set of defined competences allows the state to keep the functional profile in business of reproduction territorial “polity” (Solovjev, 2011, p.128).

Then if the state competency shows stability of its functional profile (such as consolidating the population and redistributing resources), capacities show a connection between the given institute and social context as well as formed trends of social development. So abilities of the state, developing within the physical time and space, show character of equivalence of the given institute to calls of the present and the possibility to decide strategic and tactical problems. Deficiency of due abilities, i.e. discrepancy of real competences of the state to current calls, lead to crisis in separate structures of administration and authority, or in the regime, or in the whole government. On the contrary, increased state abilities lead to fast solving of the agenda problems and are the precondition of its successful development (Solovjev, 2011, pp. 129-130). We can characterize *development* as consecutive positive change of qualitative conditions of the political system in whole and its separate components.

Thus, it is possible to note close interrelation of the concept of dynamic capacities and state development. We can say that any state should show consideration for a chosen political policy and its abilities. As dynamic capacities are the capacities connected to the ability to develop new strategy faster than

² About this theory you can read here: George A. Larbi. *The New Public Management Approach and Crisis States*. Geneva, 1999 // <http://www.unrisd.org/unrisd/website/document.nsf/0/5F280B19C6125F4380256B6600448FD?OpenDocument> or Jo Ann G. Ewalt. *Theories of Governance and New Public Management: Links to Understanding Welfare Policy Implementation* // Prepared for presentation at the Annual conference of the American Society for Public Administration // Newark, NJ. March 12, 2001

competitors by recognition of value of several resources, it is necessary to turn special attention to those resources. This attention to said resources will help the developing state to be modernized within the world, where a portion of societies have long since passed from a modernist type to a postmodern, while others have remained undeveloped pre-modernized societies.

We can say that all countries have to revise their policy and capacities to develop themselves in the conditions of growing dynamics of change in the world. Either way, the goal is to build the collective capacity to achieve public results and to pursue a shared vision of the future (Pearce, 2001, p. 14). The state creates many capacities for normal existence and development. We can name some of these vital capabilities:

- Fiscal capacity (the “capability of a government entity to finance its public services”; capacity here “is an inherent economic characteristic of a government, determined by its economic resources and economic activities, and represents options available to the unit, distinct from choices about how much revenue to raise or how revenue would be raised”) (Mikesell, 2007, p. 533);
- Capacities of public officers (ability of civil servants to operate according to changing requirements to the contemporary government, to be trained and to self-train in the conditions of developing political system of the state; ability to govern, to be guided by public values, to carry out if necessary administrative reforms in view of tendencies of development of the state and political system as a whole (Smorgunov, 2007, p. 8);
- Educational capacity (MacDermott, 2004), scientific capacity (Ability to carry out educational activity when change to the state is required. With increased role of knowledge in the modern world, scientific capacity also refers to the ability to carry out educational reforms, involve talented students and teachers from other countries, involve scientific opening for state development as well as development of the socio-political and economic system as a whole);
- Capacity to exercise a principle of legality and law protection, especially the capacity of anticorruption policy (ability to struggle with corruption and to prevent it in public authorities and private sector).

In this research work we will take a look at some of these capacities. We will try to consider such dynamic capacities of the state, which promote development of the state in the conditions of the contemporary world and optimize use of new types of material and non-material (especially knowledge) resources.

2. Dynamic Capacities of the Developing State

The ability to create dynamic capacities leads to different consequences for different countries, depending on many factors including, the level of

complexity and innovation potential of their political-administrative and economic systems, cultural traditions, ideologies, defining specificity of behavioural strategies of individuals in crisis situations, etc. We can talk about developed countries (Germany, France, Great Britain, USA, etc.) or developing countries (Mexico, Turkey, China, Russia, etc.), and these cases will be very different in their reaction to global threats, decision-making process, and development strategy.

Of course, developing countries strongly differ from each other. In this research work we will mention the problems and prospects not of the Third-World countries, but countries which already have a high potential to develop their economic, political, or social advantages. These countries have moved away from an agriculture-based economy and into a more industrialized, urban economy. Thus, when we speak of “developing countries” we will mean the so-called “upper-middle-income economies” (in treatment of the World Bank³) or to a certain extent mostly “newly industrialized countries” (Bożyk, 2006), which have a high potential to develop themselves, to create dynamic capacities, and to modernize economic and public sectors. We will focus on Russia.

By the example of developing political systems the process of creating state capacities is seen more bright and dynamic. The post-Soviet countries are a good example for this purpose. The question of competitiveness and overcoming imperfections of the state system costs much more for them than for developed countries. As a case, we chose Russia as it satisfies the characteristics set forth above and has a high potential for development.

As dynamic capacities are not only a reaction on the threats of the contemporary world, but also an indicator of state ability to use its experience for political, social, and economic development in the conditions of an unstable political system, we should look at special political policies, which help the state to develop. For example, if we speak about the harm of corruption or ineffective training of public officers, we can say that these shortcomings can seriously affect public policy of the developing country. The ability to combat this harm or, moreover, to avoid it by special capacities (which can be changed easily through the time, as they are dynamic) is the object of this research work. For a developing country this characteristic of public policy is vital.

In this research work we will look at those dynamic capacities which help the state to be able to compete in the conditions of the unstable modern world after the world economic crisis as well as answer the question: which dynamic capacities of the state (in the realm of public administration) help it to increase advantages of the state (build-up of human capital, economical use of resources, improvement of cooperation between governance and civil society).

³ Economies are divided according to 2010 GNI per capita, calculated using the World Bank Atlas method. The groups are: low income, \$1,005 or less; lower middle income, \$1,006 - \$3,975; upper middle income, \$3,976 - \$12,275; and high income, \$12,276 or more. This information you can find on the site of the World Bank: Country and Lending Groups // <http://data.worldbank.org/about/country-classifications/country-and-lending-groups#IBRD>

In this case we can be interested in researching the public sphere and administrative reforms. Public administration varies from country to country; it reflects different circumstances, needs, and philosophies about the role of government in society. Despite these differences, public administrations also have much in common: they exist to serve the public interest, which is the normative foundation of the state and the public sector apparatus (Bourgon, 2010, 197).

The particular role of the dynamic capacities of the state may be found in the process of modernization, as the development of the society requires special capabilities and knowledge.

3. Dynamic Capacities of the State in the Process of Modernization

Throughout more than half a century, the idea of modernization has been very popular both among scientists and politicians of various states. At the same time, the idea experienced considerable changes during its existence (Martinelli, 2005, p.1).

In the last 20 years of the twentieth century, the modernization concept had been rethought; the attention of scientists was involved with a problem of a variety of forms of the development of societies. New theories of development and modernization try to depart from the analysis of historical, cultural and technological experience of the countries of North America and Western Europe and to correlate the researches to real needs, borders and concrete potential of developing states in terms of their own history, their own choice, and also restrictions, which they face in the decision-making process (Luke, 1990, p. 211).

According to R. Inglehart, modernization is a process “in which economic and political possibilities of the society increase: economic – by means of industrialization, political – by means of bureaucratization”. Modernization allows a society to move from a poverty condition to a better wealth condition, and at the same time it demands considerable efforts and expenses (Inglehart, 1997, p. 12).

Nowadays the concept of modernization is broader. Not only Third-World countries should modernize their economic and public sphere. It is not the question of initial industrialization and bureaucratization. Here we mean a particular kind of modernization – the way of intensive development of a state’s economy, public and social sphere for just industrialized countries with serious obstacles in their system of policy and administration (for instance, upper-middle-income economies). For example, from Russia this process will demand scale, fundamental reforms in many spheres (in the higher and secondary education, scientific development, public service, military building, law-enforcement system, legal proceedings, mass culture, ideology, etc.) (Ponomarev, Remizov, Karaev, Bakulev, 2009).

Accordingly, special value for the state plays its abilities to develop and

operate on an advancement of potential difficulties. If we address the statement of D. North about the nonergodic formation of this world, it will be clear that dynamic capacities are necessary for advancement of developing societies in the process of modernization (North, 2010, p. 36).

It is important not to forget about the new role of knowledge in the developed and developing world, which is connected to the new characters of society and is very important for the development of modern socio-political systems. The role of scientific knowledge and non-material resources, including human resources, has extremely increased in the world. It is especially obvious for developed countries. As pointed out, “A political strategy which supports a knowledge society clearly has to meet a number of conditions – appropriate economic and institutional regimes, innovation systems, informational and communication practices, human resource policies – and universities are seen by EU institutions as key to an expanding a knowledge economy” (Corbett, 2005, p. 6).

The non-material resources of knowledge, science, and education play a special role in the contemporary state. In public spheres, where the role of knowledge is high, development possibility is also high. Contemporary university education plays a new great role in the society and its development.

Developing countries also experience the need of knowledge and a higher role of education to strengthen the capacities of the state. Both in Russia and in other countries, higher specialized education is realized not only by the government, but also by the people as a necessary condition for creation of social mobility and economic success of the country (O’Connor, 2010, p. 72). And education, in turn, is the mechanism to create dynamic capacities. So education, development and sciences are extremely important for modernization.

The question of professional development of civil servants is one of the most important in the public service and personnel selection system in Russia. In the conditions of cardinal reforming of the system of state and municipal management of the Russian Federation, the requirement of professional development and formation of civil servants becomes especially topical. To effectively operate changes in various areas of public life, serving should have a special level of professional, business and moral preparation.

Insufficient professionalism and competence of public officers of contemporary government is recognized officially. Government practice testifies to it also. Yet, a considerable part of Russian officials get neither service experience, nor corresponding knowledge and abilities. Frequently they don't possess legal, social, economic and administrative preparation, which are necessary for office activity. At the same time preparation of the qualified professional administrative personnel and its scientifically-methodical maintenance is an important direction of a state policy of the Russian Federation (Cherepanov, 2007, p. 488). The requirement of a society to have prepared, qualified personnel – experts of the new generation – capable to solve challenges in difficult and inconsistent social, economic, socio-cultural, political,

and spiritual conditions increases. After all, it is necessary to have professionally prepared people to operate effectively in various areas of public life, to draw from their professional knowledge and practical experience to develop government.

Development and maintenance of dynamic capacities demands special effort and investments, however they are capable not only to modernize the state, but to support competitive advantages of the system for a long time (Andreeva, Chajka, 2006 (a), p. 49).

However, as North pointed out, there is uncertainty which can be reduced with the increase of quantity of information within the limits of the existing volume of knowledge. But there is also such uncertainty, which can be reduced only by means of change of an institutional framework. And we should understand that without general institutional changes, capable to overcome defects of the developing state (for example, a raw profile of economy, scale corruption, imperfection of party system etc.), we can't achieve modernization in the separate taken sphere.

By North, at the heart of social and technological progress lie effective institutions (such institutions, which encourage and allow to realize various technological and social experiments). The presence of many innovations allows starting the mechanism of selection, which leads to "survival" of the best. Only presence of alternative possibilities and creative work with innovations creates a transcendental and incomprehensible mechanism leading to irreversible social changes (North, 2010, p. 221).

This factor is very important for developing countries, as modernization can't be held on without innovations and freedom of creative thinking. It is also important to pay attention to the warning of North: the personal liberty of the individual is necessary for the formation of effective institutes and for creating a competitive decentralized political system (Balatsky, 2011). So some capacities of the state are useful for creating another one: for instance, successful anticorruption policy of a developing country can stimulate development and modernization, keeping really efficient political institutions, and reforming others.

4. Anticorruption Policy as an Example of the Dynamic Capacity of the State: the Russian Case

In the conditions of developing states (for example, the post-Soviet countries) some features of their political-administrative system can slow down the process of modernization of the economy and social sphere. Corruption is one of most bright examples in this situation.

The fight against corruption has also been placed on the international policy agenda, despite its long-known effects on democratic institutions and economic and social development. Today, many international organisations are addressing the global and multi-faceted challenge of fighting corruption (Fighting Corruption..., 2007, p. 3). Russia is one of these countries. It is a bright example

of a state with high potential to develop and create its own unique capacities. But some imperfections in the public sphere become a serious obstacle for these processes; and without purposeful resistance to this obstacle, the development of the state can be slowed.

In Russia, the problem of corruption has got such a scale that the state is carried by the index of corruption into the group of unsuccessful countries. According to data from the international non-governmental organization Transparency International, the 2006 index for level of corruption placed Russia 127th in the list of 163 countries - in the neighbourhood with Honduras, Nepal and the Philippines. In 2010 Russia occupied 154th place from 178 possible. The year before, Russia occupied 146th place in the Transparency International rating (Russians Are Now..., 2010). From the formal point of view, Russia is a state of law. However, full realization of the principles of the state of law until now has not occurred. And this is bad news for its opportunities in political, economic and social spheres.

The given problem shows the necessity for the realization of a competent anticorruption policy, capable to help overcome this political illness and to promote state development. In this connection it is possible to say that anticorruption policy is a bright example of development of special, dynamic abilities of the state helping it to develop.

Anticorruption policy consists of working out and turning into life the criteria of corruption and a way of fighting with it in different spheres of life. It is a question of creation of mechanisms to reduce the scale of corruption in a short-range plan, and of the development and carrying out of an anticorruption policy as a constantly operating organic function of the state (The Basic Directions ..., 2001). Thus efficiency of this conception depends on the precision of its realization and on the activity of civil society.

So a vivid example of an element of state development policy is the anticorruption policy; which is defined as the capacity to overcome imperfection in the political system and failures of the state, whose actors are connected with corruption activity. It can be called a dynamic capacity, because it should be flexible and should prevent new types of corruption in order to let the state develop.

Nowadays, the problem of corruption has a huge and serious urgency in Russia. Because of corruption, the Russian Federation concerns itself to the group of unsafe countries. This fact reduces the level of potential investment to the national economy and makes decision-making more expensive, as government chooses not the best decision, but a prepared one (the third or fourth profitable solution). The state is losing money, energy, strategic advantages and effectiveness because of corruption. So this phenomenon is strongly related to public policy, administration process and creating the agenda. It is the whole state illness, which brakes the development of society.

Corruption raises the level of inequality in society. The research of the Organisation for Economic Co-operation and Development (OECD) pointed out,

“...people who perceive increasing income inequality are less likely to approve of government performance and to trust other people... More generally, when people see the government as corrupt and the country moving in the wrong direction, social solidarity (trust in other people) and confidence in the state will decline – and there will be increasing demands for curtailing market forces and placing limits on incomes” (Uslaner, 2007, p. 100). The lack of trust makes the development and creating of dynamic capacities problematic, that’s why anticorruption policy is a big deal for the government and for the people.

This problem shows the necessity of realization of state anticorruption policy to make the state more flexible, effective and successful in the process of development. That’s why analysis of *the anticorruption policy can be a good example of the state capacities in the process of modernization*. It would help to answer the question, what capabilities of people, communities and institutions would enhance the collective capacity to achieve public results?

I research Russia as it is a developing country and the role of dynamic capacities for its modernization is very high. It is well known that among destructive processes in Russia, corruption occupies one of the first places. It is one of the main reasons for economic stagnation and has turned into a serious threat to the rule of the law and to democratic transformations and human rights. It has led to the hardest social consequences and undermines trust of power structures and as a result the development of the state slows down (Machaladze, 2007, p.2).

Material, political and moral costs, of scales which have sharply increased in last decades because of corruption in Russia, became so obvious and dangerous to the political system and for its further development that the problem of strengthening the anticorruption struggle and increasing its efficiency was beyond purely a legal field and has the value of one of the sharpest political problems.

There are many types of corruption. However, we will stop on political corruption as it substantially influences the ability of the state to develop as a whole. *Political corruption* is the bribability and corruptibility of state and other officials in mercenary to use office powers and the possibilities connected with them in personal or corporate interests (Ibid, p. 3). Such corruption is extremely dangerous because it affects the process of acceptance of political decisions, which are extremely important for the country. It is a question of involvement in corruption of representatives of the national government, the higher officials and political officials, and also workers of the enforcement bodies and the agencies of state security.

The fight against political corruption is a nation-wide problem. It is impossible to hold onto the anticorruption policy without serious political will of the state, regular work on its eradication, and minimization of its negative consequences, as well as without joint actions in this direction of power structures and institutes of a civil society to achieve effective results in business.

In the “Concept of National Safety of the Russian Federation” (Concept of National..., <http://www.armscontrol.ru/start/rus/docs/sncon00.htm>) corruption is named one of the threats of national safety, and consolidation of the efforts directed on a fight against corruption is considered as one of the measures of maintenance of national safety (Machaladze, 2007, p.4). Thus government pays great attention to the process and results of anticorruption policy.

For instance, in February, 2011 the president of the Russian Federation D.A. Medvedev became an initiator for correction of the Criminal code and the Code of administrative offences. The head of the state suggests increasing repeatedly penalties and imprisonment terms for commercial payoff, reception and bribery. According to the bill, “the size of the penalty estimated proceeding from the multiple sum of commercial payoff or a bribe, is established at the rate to the 100-fold sum of commercial payoff or a bribe, but it can't be more than 500 million rubles” (The Punishment ..., 2011). Accordingly, prison terms will increase also.

Despite the toughening and harder rules of anticorruption policy law, it is possible to say that elementary toughening of laws will not lead to desirable results if there is no necessary political-legal culture of public officers, and society as a whole, capable to resist the idea of encouragement and corruption distribution.

We can say that for modern Russian such is typical: practice of clientelism and closeness of executive power level; poor quality of performing discipline; high level of corruption; duplication of functions and powers of federal enforcement authorities; absence of differentiation between interests, powers and state and bureaucracy functions; weakness of the control of institutes of a civil society over administrative processes; sharp falling of trust of citizens to power institutes (Ledyaev, 2008, p. 62).

There are many reasons for this situation. Among them are: neither the legislative nor a judicial branch of power have ever been independent and so strong as the executive power in Russia.

Administrative reforms have been urged to solve this problem. An essence of administrative reforms in Russia is the complexity of transforming state body systems to make them more flexible and efficient. Despite failures of administrative reforms of the 1990s, they promoted the increase of efficiency of the government. For example, in their principles of long-term planning, orientation to interests of a civil society, openness of information and quality of state services for the first time had been designated (Volkova, 2008, p. 65).

The “concept of Administrative Reform in [the] Russian Federation in 2006-2010” (Concept..., http://www.fas.gov.ru/legislative-acts/legislative-acts_50334.html) is created to reach improvement of the quality of state services, introduce an information technology in the managerial process, orient achievement of final measured results, increase efficiency in interaction of enforcement authorities and a civil society, and also increase the transparency of

activity of enforcement authorities through modernization of a system of supply of information of enforcement authorities (Komarovskiy, 2008, p. 89).

The ideas of the theory of New Public Management have become the theoretical base of the Concept (management by results, an establishment of regulations, information openness of authorities, respect and affinity of the device to citizens and their organizations, etc.). However, the majority of the political-cultural principles which were put in the Concept, were not turned into life. The problems of corruption and imperfections of bureaucratic systems have not affected Russian validity. Partly this has occurred because the set of principles and government concepts, which were used as the basis of administrative reform, were rather artificial and were introduced from abroad and did not mention the cultural aspects of activity and had not considered cultural-historical features pertaining to the workings of executive power.

It would be important to point out that the political-legal culture on the society level in the Russian Federation is also a serious problem in this case. Not only civil servants, but the main part of the citizens is involved in the corruption process. Corruption lowers the trust and optimism in society. Corruption “makes people less likely to be optimistic for the future. When elites rob the public purse and when people must help elites to line their own pockets, ordinary citizens will have negative views of government performance in improving the quality of life and will have less hope that the country is heading in the right direction” (Uslaner, 2007, p. 101).

According to interrogation of the fund "Public Opinion" (November, 2009), the population does not believe that corruption levels will decrease (58% of respondents considered that a decrease in corruption will not happen, and only 17% that it will happen. 37% considered that the corruption level will rise, 42 % - that it would not vary, and only 11% that it would decrease). In 2010, results of interrogation have shown almost same picture, and some even more disturbing - 67 % of respondents do not see positive possible changes in the future and consider that the corruption level will be the same or higher (The indicator “Corruption in Russia”, 2009). Which development is waiting for the people, who don't trust their governance?

Trust in people is essential for forming links between different groups in society. Trust in government is essential for political stability, compliance with the law and development. “Corruption robs the economy of funds and leads to less faith in government and thus lower compliance with the law” (Uslaner, 2007, p. 100).

In A. Ilyin's expression, Russia gets back the “elements of authoritative conformism in a society”, that the structure of the Russian political consciousness includes a high insistence on power on the one hand and negative-neutral relation to own a political initiative on the other hand. Sixty-five percent of the citizens consider that in next 10 years it is impossible to reach a “society of clever, free and responsible people” in Russia instead of a “society in which leaders think and solve a resolute reorganization of society and law”. However it

is necessary to notice that 46 % of the citizens see the reasons of this are corruption and an orientation to stability and order instead of civil activity (Public Opinion-2009, p. 24).

This fact shows a special aspect of realization of anticorruption policy. This circumstance appreciably influences administrative reforms and all processes of political and economic development in Russia. Therefore change in the relation of the Russian society to a policy of management is extremely important.

Here it is possible to say that the political culture of civil servants is a certain barrier on the way to state development. Therefore change in the relation of the Russian society to a policy of management and development of political culture of participation in Russia, as a whole, is extremely important.

One of the most tragic elements of the Russian situation is that the anticorruption policy is developed by those to whom it is directed. The control over the execution of a policy lies on enforcement authorities. Enforcement authorities also are one of the most corrupt institutions in Russia. The civil society has no levers of pressure upon the realization of an anticorruption policy. Even such a body as the “Public Chamber of the Russian Federation” has no possibility to affect the process of realization of this policy. So we can say that some special features of the states can affect the dynamic capabilities. Modern problems of developing countries, such as corruption, bureaucratization of public processes or the weakness of civic society, can hamper the processes of modernization of economics and society.

Conclusion

Nowadays governments are called upon to play a more dynamic, more complex, and less certain role. This new role will require the integration of government authority and the collective power of other actors to bring results of high public value. It is very important in the face of complex issues and unpredictable circumstances. States are able to develop with the help of dynamic capacities, which can prevent negative influences on the state.

This situation is more noticeable in developing countries. Increase of the role of knowledge and higher education and fight with corruption are the important preconditions for modernization and development of these states. They can be called dynamic capacities, because they should be flexible and should prevent new types of obstacles to government development.

Developing countries, such as Russia, are short on both trust in people and trust in government. “Transition countries are also lacking in honest and fair institutions. And they have more than their share of corruption and an underground economy. Many citizens have little faith in their leaders or their fellow citizens” (Uslaner, 2007, p. 100). If government won't pay attention to such dynamic capacities as anticorruption policy or educational policy, the state can be caught into an institutional trap, when old institutions don't let the state

develop and a low level of knowledge or corruption prevent the change of these institutions (Gelman, 2010, p. 32). So we can say that the anticorruption policy and educational policy should be capable to help the state to develop and overcome the imperfection of political-economical systems, and also to become more competitive in the international scene.

However, it is impossible to think that dynamic capacities can become panacea for all troubles of the modernized state. The institutional matrix developing in the course of historical development, according to North, imposes “serious restrictions on possibilities of a choice for leaders who try to modernize existing or create new institutes to improve the economic or political positions. Arising from the ‘track effect’ changes usually become step-by-step” (North, 2010, p. 15). Institutional restrictions define our present and influence the future. It means only that choice of possibilities in the present are limited by the heritage of the institutions, which have been saved up in the past.

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Рабочие тетради Центра изучения Германии и Европы

Universität Bielefeld – Fakultät für Soziologie
Postfach 100131 – 33501 Bielefeld – Deutschland

Staatliche Universität St. Petersburg – 7/9 Universitetskaja Nab.
199034 St. Petersburg – Russland

<http://zdes.spb.ru/>

info@zdes.spb.ru