Mechanisms to Actuate Growth Drivers in Conditions of Stagnation of Russian Economy

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Abstract: Flat dynamics of Russian economy raises the issue of finding drivers for Russian economy and mechanisms of their actuation. Current challenges makes it possible to use big size of construction sphere which is a key industry of the country for provision of the needed growth. This purpose suggests discovery of new approaches to management of business activity cycle in construction. Elaborated innovative organizational-economic mechanisms for business activity management must take into account the very modern trends in the sphere of economic cycles and allow to identify complex of measures to overcome stagnation of Russian economy.

Key words: Drivers of growth • Crisis • Mechanisms to provide growth • Organizational innovations • Construction • Stagnation • Economic cycles • Economic tools

INTRODUCTION

World economy is growing very slowly at present time. International ranking organizational Fitch in its report "Global economic perspectives" for 2013 provided adjusted values on world GDP growth [1]. In this year growth will be for about 2,3%-by 0,1% lower then expected value. In 2014 growth will amount to 2,9 %-it is also lower then earlier forecasts. Many experts argue that world economy including developed countries, as main bearers of innovations and growth sources in post-industrial society, is on the trajectory of downhill spiral. Key negative trends and break-point in economic cycle happened in 2008. First active discussions were restricted to identified financial crisis related to growth of national debts etc. But today it has become evident that the crisis was not only financial but economic as well and therefore many countries must think about growth drivers. This insight directly relates to the situation in Russia [2, 3]. Reaching the limits of economy potential due to low industrial and especially structural potential and also impossibility to fulfill socio-economic liabilities by national government using revenues from export of oil and gas has become very up-to-date problem. Economic science can not propose new model of development in conditions of stagnation and this issue must be investigate deeply.

Main Problem: In modern conditions growth of the economy remains very low. The forecast of growth of GDP of Russia made by Ministry of economic development for 2014, 2015 and 2016 is 3,0% 3,1% and 3,3% accordingly does not create any conditions for renewal of escaping from national economy capital and in opinion of Bank of Russia, is overestimated. Mainly this growth is not reasoned by necessary institutional and managerial changes. These targets were formulated in the concept of long-term socio-economic development up to 2020, in the Letters of the President of Russian Federation to Federal assembly and other system documents. Such documents point out to the necessity of modernization aimed for broadening of infrastructural and industrial potential of the country, provision of conditions for innovative development [6]. However, with growth of investments into real sector of economy including construction, the need for capital assets grows quicker...
then the rate of their inflow. In medium term it will deprive national economy from possibility to overcome stagnation and prolonged crisis.

Absence of possibilities to provide economic growth contradicts to resource potential which our country has and which is used in investment-construction sphere. It is construction sphere where the key and desired drivers of Russian economy growth are presented. That is why we must focus on tools, mechanisms and technologies of investment-construction activity. In the end of XIX-beginning of XX centuries experts found patterns showing that industries can not grow constantly. Maximum growth is synchronized with the phases of growth of economic cycle. And when cycle is near the stagnation and crisis it points out that existing economic model has exhausted its opportunities for growth, this is maximum which will not be overpassed. K. Marx, E. Slutski, N. Kondratiev, J. Shumpeter and others arrived at this conclusion. Importantly, they explained reasons for phase-changing process in economic cycle-these changes are caused by need for renewal of capital assets, introduction of innovations to evolve the production onto new technological level. Then the scientists explained that regular reaching of economic growth limits happens also due to critical level of financing, over-production, inefficient monetary policy and other factors [7-10]. Every new phases of economic cycles as a rule are different from previous ones.

Diversity of the reasons determining appearance of economic cycle phases produces biggest difficulties in economy management.

Crisis of 2008 only in minor respects was less destructive for world economy than Great Depression of 1929-1939. That is why the most difficult problem is finding out, launching and scaling of starting mechanisms and drivers of growth of economic cycles which are characterized by interdisciplinary features, probability model of formation and absence of unified rules and approaches to management.

Academician S. Glaziev was one of those who showed absolute impossibility of repeating economic cycle in its previous form but in the same time he managed to systemize the factors, showed vector space of perspective development in succession of economic cycles [11, 12]. Industrially significant factors introduced by him included technological mode which allowed to provide retrospective and future periodization of economic development in phases of economic cycle. Reaching by the countries of specific technological modes clearly shows achieved level of economic development at every specific moment, the limits, perspectives and relative efficiency of development.

However modern scientific knowledge and insights in theory of economic cycles do not allow to find out in advance and explain weak points of economic measures which are able to provide growth only till one specific moment. Methods of identification of organizational-economic limits of development in phases of business activity cycle could change the status quo in economy cardinaly. We believe that identification of business activity cycle as management object is a way which allows, firstly, to form the mechanisms of activation of growth drivers-this must be intensification of construction activity to overcome stagnation of Russian economy; secondly, to take into account factual and marginal opportunities of current model of functioning; thirdly, to provide transition from current model of development to new one with minimum waste of time-the period of adaptation of managerial tools in phases of economic cycles is one of the most critical factors to provide economic growth.

Experience of the past and modern practices prove that as soon as construction has entered the phase of crisis state, stagnation or grows rather slowly, the economic growth in the country starts to decrease. Besides that investment-construction activity is linked to maximum number of spheres and its industries in national economy it is the business activity cycle management which allows to get maximum effect in comparison with other measures influencing economic cycle on macrolevel. If we take into account deficit of state measures to take the economy out from stagnation state business activity cycle management can be considered as very up-to-date and able to help greatly in making new wave of economic growth. Combination of these issues which are not covered by current scientific tools of economic cycles actualizes further study of mentioned issue.

While choosing factors of economic cycle which must be taken into account to develop mechanisms of activization of growth drivers in conditions of stagnation of Russian economy focus must be made on those which have scaling potential. Investment construction sphere in this respect satisfies set conditions. Construction projects have many unified solutions for their realization and it means that development of new approaches to construction can relate to many economic interests of very different economic entities in Russian market. First of all, these are innovation projects and programs including
those which offer new approaches to monitoring and management of business activity cycle management. Formation of the mechanisms to actuate growth drivers is impossible without organizational-economic system which allows:

- Firstly, to find sources of new innovation solutions including those with subjective fixation of tasks and functions;
- Secondly, to promote innovative solutions among market relations entities;
- Thirdly, to give tools to measure dynamic parameters of promotion of innovative intangible capital;
- Fourthly, to provide ways of influence (regulation) on dynamic characteristics of innovative solutions’ promotion;
- Fifthly, to evaluate factual results of innovation approaches to activation of growth drivers by increment in effect from investment construction activity and economy as a whole.

**CONCLUSION**

Current economic situation in Russia is characterized by real danger of further crisis effects. Development of the mechanism to actuate growth drivers is very urgent problem not solved by science in full. Evaporating infrastructural potential of the country demands to consider construction as one of the leading industries. The study has shown that key problems of development caused by insufficient regulation of economic cycles can be solved very effectively if business activity cycle is defined as management object. Proposed innovative solutions correspond to modern scientific approaches to search of new sources of growth; their potential in overcoming of stagnation of Russian economy is rather high.

*Inference:* Modern economic situation in the country proved the hypothesis that the significance of investment-construction activity in economic development of Russian market economy has reached its historical maximum. In the same time absence of tools to manage business activity in the real sector of economy hinders development of the economy. Professional and scientific communities which are searching for the way to provide growth almost unanimously agree that the country needs urgent modernization and increase in innovative activity. Construction complex needs modernization most badly and because of its big size has huge opportunities of innovation scaling. So, proposed by the author mechanisms of activization of growth drivers on the basis of creation of special organizational-economic system prove their absolute significance. And their innovative character allows to enrich and improve current tools and management mechanisms of one of the most important industries of the country.

**REFERENCES**

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