

## Assessment of the Socioeconomic Efficiency of the Institutional System of the Anti-Crisis Management

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**Abstract:** The article is devoted to assessment of the effectiveness of the institutional system of anti-crisis management. Such assessment allows to find out the reasons of non-effectiveness of separate institutions. The author gives two opposite points of view on effectiveness of institutional systems (idea of institutional traps as non-effective steady behaviour patterns and the concept of economic dysfunction of institutional system) and evaluates them. Main principles of effectiveness of the institutional system of anti-crisis management are proposed, which are based on theoretic analysis. The article gives parameters of effectiveness of this system in the framework of adaptation and allocation model. Proper functioning of this system can be provided only by means of organizational structure. Organizational effectiveness is connected with synergic and social effectiveness. The criterion of economic effectiveness of anti-crisis management is proposed as the value of present discounted net profit obtained in the process of financial improvement of the enterprise.

**Key words:** Institutional system • Anti-crisis management • Dysfunction of institutional systems • Adaptation model of the anti-crisis management system • Allocation model of anti-crisis management system • Proper functioning of the system • Organizational structure • Synergic effectiveness • Social effectiveness • Present discounted net profit

### INTRODUCTION

Unfortunately, we were not able to discover any research in the foreign or native literature dedicated to the assessment of the efficiency of the institutional system of the anti-crisis management.

A.A. Auzan in his work "Institutional economics" writes that the difficulty of the problem under consideration consists in the fact that if D. Nort, in his consideration of the institutions at the macroeconomic level, noticed that social history is a history of inefficiency manifesting itself in the reproduction of the institutions preventing economic growth, Williamson, on the other hand, theorized that the mechanisms of the management of transactions, investigated by him and his followers within the framework of the existing institutional environment, were explained from the position of the economy of transaction costs. Dependence of the mechanisms of the management of transactions on the changes in the institutional environment was viewed within the framework of the economic theory of

transaction costs. These changes took the form of the changes of parameters which, together with the peculiarity of resources, influence the costs of the adaptation of economic agents to changing circumstances. It should be noted that the context of the development of conceptions determined their trend (in the abovementioned dimension "efficiency") [1].

On the whole, the assessment of the efficiency of the institutional system of the anti-crisis management presupposes a systemic view from the position of the institutional dynamics, the creation and stable existence of the institutions of the anti-crisis management of different efficiency. The main advantage of this approach to the assessment is the fact that it allows the discovery of the causes of the creation of inefficient institutions, determining their inefficiency as a reduction of the qualitative characteristics of the functioning of the anti-crisis norm and a curtailment of the financial flows of provision of the activity of the concrete institutions of the system.

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Currently, native economic scientific literature encompasses two opposite viewpoints of the efficiency of institutional systems. On the one hand, there is a development of an idea of institutional traps as inefficient stable norms of behavior. On the other hand, there is the conception of economic dysfunction of institutional systems according to which the creation and development of inefficient institutions is explained by the naturally determined results of economic entities. The latter include, as a rule, the growth of the transaction costs, the shadow economy, investment crises, defaults of payment, development of barter transaction, etc.

The theorem of Coase is considered in the context of the conducted research. It means, above all, that the efficiency of any given institution is determined by the value of institutional costs. To put it otherwise, minimal transaction costs or, accordingly, an efficiently acting institutional system entail the use of resources in such an economic way or by an economic entity, which provides the greatest value of the produced good. If the question is posed in this way, for example, the budget efficiency of the institutional system of the anti-crisis management can be considered as the ratio of the value of the change (gain, decrease) of the accrual of taxes in the budgets of all levels as a result of the restructuring and financial recovery of economic entities to the value of expenses of the same budgets on the maintenance of the institutions of the anti-crisis management.

This approach leads one to believe that the efficiency of the institutional system of the anti-crisis management is inversely proportional to the value of the allocated budget resources on its maintenance and stimulation, which is not always obvious.

According to H. Levenstein, the basis of the efficient functioning of the institutions operating in the non-market conditions is the principle of reduction of the costs of the economic systems regulated by them [2].

S.G. Kirdina, developing this thesis in her works, indicates that "understanding of reducing costs as an integral indicator around which a system of rules and practices, i.e. institutions, is built up allowed formulating a theoretically proven hypothesis of the existence of such an institution in the model of X-economies as a necessary element of a comprehensive institutional structure of this kind. The analysis of economic systems dominated by branches of industry with decreasing or increasing marginal costs has given an additional theoretical proof of the addition of the system of institutions of redistributive economy to the institution of reduction of costs, or X-efficiency as a main mechanism of inverse relationship." [3].

This hypothesis has a major importance for determining the criteria and principles of the assessment of the institutional system of the anti-crisis management since it is based on the automatic movement of upward signals controlling the level of the costs of economic agents of any given branch of national economy and allows predicting their low efficiency. The hypothesis proves insufficiency of the administrative pressure "from above" for the efficient functioning of the system of the anti-crisis management as a whole.

The theoretical analysis of the institutional system of the anti-crisis management conducted in the prior research allows advancing the following basic principles (criteria) of its efficiency:

- A model of rational choice for explaining the behavior of economic agents must lie at the basis of the formation of the institutional system of the anti-crisis management;
- Efficiency of the institutional system of the anti-crisis management must be considered, to start with, through the prism of the efficiency of influence on the decisions made by economic agents;
- The institutional system of the anti-crisis management does not wholly determine the behavior of economic agents, instead limiting the selection of alternatives which an economic agent can choose according to his goal and mission;
- Economic agents within the framework of the institutional system of the anti-crisis management must not be viewed as "black boxes", but as an ordered (contracting) interaction of the entities of the economic system, which requires special research of the process of the working-out of information about them, receiving and using stimuli and monitoring intracompany exchanges in the different stages of the economic cycle;
- The institutional system of the anti-crisis management must assume a selection of alternatives whose comparison occurs through the prism of possibilities of the economy as they relate to the transaction and transformation costs;
- Modeling of the institutional system of the anti-crisis management must be founded not on the comparison of the ideal (from the point of view of efficiency) model with the factual state of things and subsequently bringing it to the ideal, but on the foundation of comparison of costs related to the implementation of the proposed changes;

- The search for the most efficient alternative of the institutional system of the anti-crisis management must not be built on the principles of achieving Pareto optimality as the final point of change, but on the principles of determining directions of improvement according to the Caldor-Hicks criterion.
- The institutional system of the anti-crisis management must be viewed within the framework of the model of comparative statics as a method of studying an economic system using a selection of equilibrium conditions, which allows the most adequate assessment of the consequences of institutional innovations;
- The efficiency of the institutional system of the anti-crisis management within the framework of the subject-object approach must be based on rationality of behavior of a subject, which is viewed as a variable depending on the difficulty of the situation of choice, availability of information which an individual has, as well as his motivation;
- The efficiency of the institutional system of the anti-crisis management must be determined on the basis, among other things, not so much of conditions and results of redistribution of assets as of conditions of the stable economic development.
- The distribution of transformation and transaction costs among economic entities and agents is unfair, which leads to the inefficient informal rules and institutions [4].

According to this point of view, the efficient institutional system of the anti-crisis management can be defined as the optimal structure of the powers of the system providing for the reduction of transaction costs of the exit of an economic agent out of the state of a crisis. That is why, according to the classification of the institutional sectors of the economy, one can assume that the monitoring and the statistical information about the dynamics of transaction costs can be obtained using the data of statistical observations and accounting statements, bank statistics, expenses of the corresponding budgets, as well as the accounting of the Federal Revenue Service. In the assessment of the statistical toolkit for the organization of statistical observation at the institutional levels of management, there's a growth in the value of developing an information analysis system of collecting and processing data related to the implementation by the entities of the management planning in the structure of the federal and departmental special-purpose programs. Such a model of integration provides a legal substantiation of traditional and innovative approaches to making management decisions.

It is quite clear that the process of the implementation of the efficient institutional system of the anti-crisis management assumes the use of a number of technologies based on the concrete instruments and mechanisms. According to S.V. Istomin, the analysis of the efficiency of the institutional mechanism must be accompanied, to begin with, by the consideration of the factor of transaction costs including:

- The level and the trend of transformation and transaction costs arising upon a switch from one norm to another one;
- Transformation costs must be considered separately, according to different directions of changes of norms;
- The level of transformation costs is affected by the arising stable but inefficient norms which lead to the appearance of the institutional traps;
- The analysis of the efficiency of the institutional mechanism must be accompanied by the consideration of the effect of cultural inertia and the avoidance of the creation of the institutional conflict which leads to the appearance of the stable but inefficient norms;
- Improving the procedures of the reorganization of commercial organizations, including banking institutions, by means of the exclusion of the unconditional right of creditors to an early repayment of debt in case of reorganization;

In addition, the assessment of the efficiency of the institutional mechanism of the system of the anti-crisis management from the position of the financial recovery of economic entities can be furthered by the application of indicators characterizing the dynamics of the level of their economic condition. These indicators include a correspondence between newly created enterprises and those undergoing bankruptcy (liquidation) in a branch of industry, the pace of the growth of the account balance of the primary income of its economic entities, the income from the disposition of financial assets and non-financial nonproductive fixed assets, a share of an economic entity in the gross regional (national) product, the pace of the growth of social transfers and others.

For example, the instruments of reducing transaction costs and enhancing the efficiency of the institutional system of the anti-crisis management could be the following measures of organizational support aimed at the development of the financial and banking infrastructure:

- Improving the mechanisms of regulating insolvency of financial organizations;
- Improving pledge legal relations in the course of a case related to bankruptcy;
- Expanding the possibilities of investing the pension savings of insured persons who have not used the right of the choice of an investment portfolio;
- Providing an opportunity for the securities traders to access refinancing on the part of the Central Bank;
- Removing limitations related to the size of the authorized capital and the cost of net assets of business associations with an aim to promote opportunities for attracting the financing;
- Developing mechanisms of reducing risks of abuses on the part of owners and managers of organizations in anticipation of bankruptcy and in the process of bankruptcy;
- Introducing custodian accounting of mortgages reducing costs in the process of trading mortgage notes with an aim to simplify securitization and refinancing of mortgages;
- Introducing a general meeting of bondholders as a mechanism to consolidate opinions of bondholders;
- More precise specification when issuing exchange-traded bonds.

In addition, when assessing the efficiency of the institutional systems, there is a tendency in the economic literature to distinguish adaptive (ability to distribute powers between economic entities in a current situation) and allocative (ability of institutions to distribute powers among economic entities optimally) efficiency.

The parameters of the efficiency of the institutional system of the anti-crisis management within the framework of the model of adaptive efficiency can be presented as follows (Table 1).

Analysis of the opinions of specialists in the area of adaptive efficiency of institutions [5, 6] allows the identification of the following criteria of the adaptive efficiency of the institutional system of the anti-crisis management:

- The aim of creation is legislatively designated and long-term, interconnected with other aims, the area of application is stable;
- The system is highly functional with a strictly determined choice of functions;
- Functioning costs are acceptable and relatively low, the degree of resistance by economic entities is relatively low;
- Stability in case of an accidental change (mutation) is high.

Consideration of these criteria in the context of our research presupposes, within the framework of the institutional efficiency of the system of the anti-crisis management, the isolation of its organizational constituent which is characterized by the notion of hierarchy. For example, the institutional system of the anti-crisis management in X-economy arranges its elements according to the levels of intersubordination in virtue of the fact that precisely such an arrangement and not another one, gives the necessary efficiency of the system as a whole and its primary institutions. In other

Table 1: Parameters of the efficiency of the institutional system of the anti-crisis management

Characterization of the institutions of the anti-crisis management	Adaptive efficiency of the institutional system	Adaptive inefficiency of the institutional system
The goal of the creation of the system of institutions	Rigidly determined, legislatively finalized and formalized, interconnected with other institutional systems	No legislative formalization, subordinate subsystem of another dominant institutional system, or created as a forced political measure
Area of application of the system of institutions	Legislatively formalized, adapted to primary and compensatory institutions of the economic system	No legislative formalization, contradicts functions and directions of the activity of primary and compensatory institutions of the economic system
The level of the functionality of the system	Relatively high functional potential with a distinctly fixed choice of functions	Functional potential is indeterminate, functions are blurred, organizational structure is changeable, there are institutional "traps"
Transaction costs of operation	Relatively low, within the limits of oscillation of average costs	Unacceptably high, significantly higher than average
Degree of resistance by economic entities	Relatively low, absence of opposition associations of economic entities	Relatively high, presence of opposition associations of economic entities, presence of deformalization processes
Stability as to institutional endogenous innovations	Relatively high	Relatively low

words, the arrangement of the elements of the system according to the criterion of subordination means that precisely this arrangement gives a more efficient result than any other.

According to O. S. Sukharev, the efficiency of a hierarchic system cannot be represented by some combinatorial product of the efficiency of each level. Such an assumption is very far-fetched because it entails, mathematically, that the more the contribution to the functioning of the system of some element or level is, the greater part of a resource must be allocated to it for maximizing the functioning of the whole system. This resource can be taken from outside of the system or borrowed from other elements or levels of hierarchy which give a less significant contribution to the overall efficiency. However, such a vision of efficiency, in essence, means its reduction among these elements which are less significant in terms of the parameter of efficiency. But they may be vitally important for the system. Thus, we have here the degradation of the criterion of efficiency with the ensuing incorrect interpretation of organizational efficiency [5, 6].

Thus, one of the most important criteria of efficiency of the institutional system of the anti-crisis management is its optimal hierarchical (organizational) structure which must be considered as the most important condition for providing its functionality.

Organizational efficiency of the institutional system of the anti-crisis management is inextricably linked with the notion of synergetic efficiency which means higher efficiency of a system as an organic whole as contrasted with the sum of efficiencies of each of its structural elements. When one takes such an idea as a starting point, synergism of a system is manifested in the strengthening of its qualities, given their particular combination. That is why synergetic efficiency can be logically defined as systemic efficiency. Then its form characterizes the general efficiency of the nonlinear interaction of different structural elements of a system.

Analysis of the synergetic constituent of efficiency of the institutional system of the anti-crisis management permits designating a number of conditions of its systemic efficiency:

- The institutional system of the anti-crisis management can be efficient but unstable;
- The institutional system of the anti-crisis management can be inefficient but stable;
- The optimal institutional system of the anti-crisis management is efficient and stable;

- Non-optimal (dysfunctional) institutional system of the anti-crisis management is inefficient and unstable.

For example, G.B. Jung in his book "Methodology of the anti-crisis management", when considering the assessment of the results of the anti-crisis management, only touches on the economic effect of regulatory activity in the anti-crisis management, manifesting itself in the reduction of labor intensity of work aimed at the implementation of arbitration procedures.

In addition, the author touches on the social efficiency of the anti-crisis management, which manifests itself in the creation of new jobs and the formation of a new infrastructure of the market for the anti-crisis services [7-9]. The social effect of the anti-crisis management, according to G.B. Jung, is expressed in the fact that the enterprises are either reformed and then recover, or close down. This leads not only to the repayment of credit debt but also to the financial recovery of the whole economy of the Russian Federation. In addition, there is a reduction of social tension and an increase of the budget revenue in the regions of the country [10].

The author proposes to use the current discounted net income obtained in the process of financial recovery of an enterprise as the criterion of economic efficiency of the anti-crisis management. In this case this income is the discounted (brought to the present value) result for the period of introduction of the arbitration management (accounting period).

The author relates the current discounted net income to the value of the annual net income and the norm of the discount or the yield rate on the corresponding market, which can be expressed as follows:

$$\text{чдд} = \sum_{i=1}^t \vartheta_i K_i,$$

where:

$\vartheta$ , - net income at the step  $t$ ;

$K$ , - discount coefficient (bringing the annual net income to the present value based on the introduction of the anti-crisis management), determined from the table of compound interest on the basis of the norm of discount and the discounting period.

The institutional characteristics of efficiency of the system of the anti-crisis management can include an indicator, proposed by the author, of the level of the implementation of arbitration cases which is characterized as a ratio of the completed arbitration cases for a given

period (month, quarter, year) to the quantity of all cases in arbitration. This indicator, expressed as a percentage, shows the dynamics of the arbitration process in a region. According to the author, when assessing the results of introducing the anti-crisis management, one can use an indicator of the pay-back period of expenditures for the implementation which cannot exceed 1.5 years.

O.C. Sukharev [5] proposes an original approach to the assessment of efficiency of the institutional systems which is based on the methodology of the calculation of the norm of the user value as a characteristic of one or another institution, institutional innovation, leading to the change of rules and models of the economic behavior of specific entities. The author considers the problem of institutional efficiency as a problem of the quality of a system. An institution is considered as a product which is created because it fulfils a certain need.

However, the proposed methodology of the calculation of the norm of the user value carries a clearly expressed consumer orientation and is aimed at the satisfaction by the institutional system of concrete consumer preferences, which significantly complicates its application when assessing efficiency of the institutional system of the anti-crisis management.

E.V. Balatsky [11] proposes to assess efficiency of the institutional systems by means of the assessment of the quality of the functioning of the institutions, which can be expressed as follows:

$$K = \sum_{i=1}^n \gamma_i A_i R_i E_i, \quad (1)$$

where  $i$  - goal index;  $A$  - coefficient of the adequacy of an institution;  $R$  - coefficient of performance of an institution;  $E$  - coefficient of efficiency of an institution;  $\gamma_i$  - parameter fixing the importance of  $i$ -th goal (need) of an institution.

The proposed approach reflects the goals and functions of the institutional system of the anti-crisis management to the fullest extent since there is always an element of dominance of one or another goal of the anti-crisis institution at the given stage of the development of economy within the framework of this system [12]. Within the framework of the given whole complex of assessment characteristics of the institutional system of the anti-crisis management, each of its constituents includes the following parameters:

- Coefficient of the adequacy of the institution  $A$  represents the assessment of the degree of correspondence of set goals ( $C$ ), aimed at by the anti-crisis institution, to the existing social needs ( $P$ ):  $A = C/P$ ;
- Coefficient of performance of an institution represents the assessment of the degree of correspondence of the obtained result ( $X$ ) to the set goals ( $C$ ):  $R = X/C$ ;
- Coefficient of efficiency of an institution represents a traditional indicator of efficiency as a ratio of the result ( $X$ ) to the expenditures ( $Z$ ):  $E = X/Z$

The given methodology permits the assessment of the quality of the institutional system of the anti-crisis management in the dynamics of its functioning and development (degradation) and the correction of administrative effects on its institutional technologies. Moreover, the adduced relation in the formula (1) assumes consideration of the availability not only of the financial resources but also time resources, which is crucially important for the institutions of the system of the anti-crisis management. With the consideration of the factor of time, the assessment of the quality of an anti-crisis institution takes on the following form [13, 14]:

$$K = \sum_{i=1}^n \gamma_i (C_i / P_i) (X_i / C_i) \left( X_i / \sum_{j=1}^m \beta_j Z_{ij} \right), \quad (2)$$

where  $\beta_j$  - the cost of a resource (for financial expenditures this parameter is equal to 1).

According to this interpretation, the institutional system of the anti-crisis management not only restricts the freedom of an economic entity, but also saves time, energy and money of the entity and, thereby, creates for it new possibilities of the purposeful use of saved resources. Thereby, an institution of the anti-crisis management, while restricting possibilities of an economic entity in one direction, expands its possibilities in the choice of alternatives of its future economic fate. Precisely this fact justifies the restrictive role of the institutions of the anti-crisis management.

Low efficiency of the institutions of the anti-crisis management doesn't entail economy of the resources of economic entities in the process of the anti-crisis management, which doesn't contribute to the economic growth and development. High efficiency of the

institutions of the anti-crisis management generates a fairly specific reserve of economic resources which can contribute to the economic growth and, thereby, assist in the creation of a more dynamic economy.

As an important addition to the given methodology, one can note the opinion of a number of authors [15] who propose to add to the formula of the assessment such key attributes as “coercion and responsibility”, “motivation and stimulation”, which is especially important for the institutional system of the anti-crisis management since the system cannot function efficiently without these functions. In this case, the coefficient of the quality of the institutional system of the anti-crisis management takes on the following form:

$$K = \sum \gamma_{iAiRiEi} PO_i MC_i \quad (3)$$

where:  $PO_i$  - coefficient of the responsibility of an institution represents the assessment of the degree of responsibility in achieving set goals, aimed at by the anti-crisis institution;

$MC_i$  - coefficient of the motivation of an institution represents the assessment of the degree of motivation in achieving set goals, aimed at by the anti-crisis institution.

An indicative approach to the assessment of efficiency of the system of the institutional management is quite promising at the present time. This approach is based on the comparison of real indicators of the level of development with the targeted criterial indicators set originally at the moment of the planning in accordance with the main goal of the functioning of the institutional system of the anti-crisis management.

Thus, one can conclude, based on the analysis of the theoretical approaches to the assessment of efficiency of the institutional system of the anti-crisis management, that this system fits in with the parameters of the general principles of the assessment of the institutions of X-economies. This being said, the most adequate approach to the assessment of efficiency of the institutional system of the anti-crisis management, in our view, is an approach based on the assessment of the quality of an institution, including the assessment of its economic efficiency as the constituent. In addition, the proposed approach reflects the goals and functions of the institutional system of the anti-crisis management to the highest degree since, within the framework of this system, there is an element of dominance of one or another goal of an anti-crisis institution at a given stage of an economic cycle.

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