

大阪市大『創造都市研究』第7巻第2号（通巻11号） 2011年12月

■ 査読研究ノート ■

139頁～146頁

## Historical Experience of Economy Modernizations in France and Japan vs Russia

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In 2010 a group of Russian experts and officials under the guidance of Igor Yurgens, the director of the Institute of Contemporary Development (Russia) presented the program “The Modernization of Russia as the Construction of a New State<sup>1)</sup>”. The modernization itself is understood as the set of activities aimed at closing the gap between Russia and industrial countries. Seeking the ways to overcome what they call “the economic and technological backwardness” of Russia, the authors insist on choosing the optimal “*modernization pattern*”, a model which shall form the criterial and the evaluation basis of this program.

Thus, the independent expert report prepared by the heads of relevant subcommittees of the State Duma of the Russian Federation together with the leaders of the National Strategy Institute "Modernization of Russia as the construction of a new state"

The very necessity of such a comparative model as well as of its public recognition is not disputed. The modernization itself usually happens in those countries and socio-economic systems that are aware of their backlog from the more developed countries, and at a particular point recognize the necessity of deeper institutional reforms for overcoming, or at least significantly reducing of this backlog. Researchers define the modernization as a process of transition of a country from the present conditions to desired, where the latter shall provide its successful and smooth development in the present world<sup>2)</sup>. Others treat it as a “politically biased development project that uses an effective institutional reforms to address the pressing problems of development in the cash-specific socio-historical conditions<sup>3)</sup>.” It seems to us that to correctly understand the essence of the unfolding process of the revitalization efforts to modernize Russia, it is important to answer the question: “Does the desire to upgrade the current conditions suppose the continuation of the process of fundamental renewal, which went during the past twenty years under the motto of market reforms, or this desire supposes the intention to change the very vector of economic development and to change the very pattern of modernization”.

This issue is important due to the fact that the successful modernization cannot be merely a campaign or a certain set of formal events; it must serve the result of intrinsic changes in society. The world experience of the past few centuries shows that modernization policies are ineffective without the relevant institutional changes; these policies require a persuasive ideological support, the improvement of the basis of social reforms and the strong motivation to upgrade on behalf of the majority of economic agents.

The proclamation of modernization of the Russian economy happened 20 years after the start of the dismantling of planned economy methods in favor of management based upon market economy principles. Certain results were achieved after a long time, however their evaluation, though not conclusively, ranges from “good” to “unsatisfactory.” The very decision to develop a modernization program the Russian economy has only been taken now, while ten years

earlier it has been already noticed that the domestic economy was lagging behind most industrial countries<sup>4)</sup>.

So if the modernization of the national economy is treated as a panacea to overcome the backwardness of Russia from the West, then why didn't it start just after it was discovered? It's true that during the last dozen years the gap with the industrially developed countries on some indicators has just only increased. Also there's no proof that the proposed modernization pattern is based upon the critical review of the fundamental errors of the previous projects that would prevent from repeating them in future. Thus a certain risk exists that vast amounts of resources shall be spent unnecessarily, thus bringing to even worse results when this gap shall eventually widen. To answer these important questions need it could be useful to review the world experience of modernization policies, the progress of their implementation, bringing the results of such retrospective analysis to the evaluation of the basic options which exist for Russia today. This analysis shall not be locked within the circle of merely technological or administrative changes; these institutional changes must be examined within the overall diverse context of the relevant political, social, cultural and historical conditions. The present paper analyzes two different historical modernization patterns which varying in the terms of the elaboration and the depth of institutional transformations and as a result, brought disparate results. These are France of the 17-th and Japan at the outcome of the 19th- century.

It was noticed that "historically the majority of modernizations followed the catch-up pattern<sup>5)</sup>". The first experience of such a "catch-up" modernization of the national economy seems to be found in Colbertism, carried out by J.-B. Colbert in France. By his time, in the 17-th century some representatives of the new generation of French bureaucrats (and among them Colbert himself), come to the understanding of the backlog of France from Britain and Holland which were showing the best performance at that time. In his correspondence with King Louis XIV of France Colbert points at this lagging of the industry and commerce of France, especially from Holland. Colbert considered it to be a significant reason for the ineffectual state of French economy<sup>6)</sup>. In this light the whole doctrine of Colbert may be seen as an attempt to give a qualitative boost to the backward feudal socio-economic system of France using its absolute monarchy, as a guarantor of implementation of his projects.

In a broader sense Colbertism often treated as the French version of mercantilism, an economic policy doctrine common to most European powers which used it to a larger or lesser extent<sup>7)</sup>.

J. Mevre and some other researchers insist that Colbertism had nothing originally French inside, and there's nothing that may highlight it on the background of general trends of the European mercantilism. On the contrary, P. Leon and some others emphasize the originality of Colbertism, especially in comparison with English and Dutch forms of mercantilism. However many disputing parties escapes the fact that above the material enrichment of the kingdom Colbert pursued the idea of bringing the productive capacity of national economy to the level already achieved in England and the Netherlands, keeping in mind the institutional issues of national economy as well. The idea of modernization of the monarchy itself is also seen behind certain proposals of Colbert.

In the second half of XVII century, which accounts for the activities of Colbert, the political system of France has reached a stage of 'classical' absolute monarchy as an institution where a monarch wielding an unrestricted political power over both nobility and bourgeoisie maintains an institutional balance between them making impossible for both of them to take full political power<sup>8)</sup>: For nobility it was already, and for the new bourgeoisie it was not yet possible. In these circumstances, both classes considered the presence of strong royal authority as a definite assurance that none of them will increase its power so that it could infringe the interests of another. Per se, the institution of absolute monarchy in this model was stable allowing the prerequisites of progress necessary for survival further development of the state economy.

Thus, in Colbert's eyes "to modernize the absolute monarchy" and "to modernize national economy" was identical. In his understanding the economic development of France could not be isolated from the development of the absolute monarchy as an institution, and, consequently, economic changes would be ineffective without institutional changes.

It seems that certain elements of his program Colbert has formulated before his appointment to the highest economic official position<sup>9)</sup>. In particular, his ideas about radical changes in the existing economic system were formulated long before Colbert obtained a real power. Normalization of finance and credit was the starting point of his reform while the changes in the socio-economic system were its final point. Looking at his financial reforms we may trace the desire of Colbert to rely upon the experience and practice of Netherlands, one of the most advanced nations at that time in financial aspects. So instead of “reinventing the wheel” Colbert simply proposes to transfer the achievements of a leading economy to his local national basis. At a time when he was asked to manage the affairs of Cardinal Mazarin, Colbert closely watched the interest rates in the Netherlands. When in France they were much higher than in Netherlands, Colbert considered the domestic level as inadequate, thus understanding the significance of monetary indicators for the industrial production.

A common approach to the economic history of Europe says that England was the first nation to industrialize. It took place there after 1750, first in a less capital-intensive and consumer-oriented industry (cotton). From that time on the new technologies were introduced, accompanied with the organization changes and increase of the scale of industrial production, as well as with dramatic social consequences. In particular, the female wage-earning activities increased<sup>10)</sup>. Industrial revolution, as this transformation was called later, was a spontaneous process, driven by an “invisible hand”.

However, if one looks a century back, one may notice the entire shift that occurred in France between the two points, “before” and “after” Colbert, has the same trend: growth of industry, intensification of the usage of the aggregate workforce potential of the nation and, as a by-effect, the known extent of crisis in agricultural sector. In a certain way Colbertism was an industrialization pattern relying upon specific political environment, technological basis and challenges from the outside world.

Colbert saw the development of manufacturing as an opportunity to absorb the achievements of an advanced foreign industry (primarily English) thus providing the basis for the upgrade of the whole national economy. Colbert saw the advantages of manufactures more in the qualitative sense (production of new goods), rather than in quantitative (manufactures provided the larger scope of production). Meanwhile Colbert kept the guilds as an institution of traditional, industrial mass production. The prerequisites for the competition between these manufactures and guilds were objective and the losses in this struggle were unavoidable.

On the one hand, manufactures constantly experienced labor shortages and had to divert a lot of funds for workers' training. Some of manufacturers were forced to organize the rigid operation mode when the employees were not allowed to go to the city; they lived in the industrial premises, they were fed and even listened the Mass there. Later the elements of such institution reappeared and were later reshaped as the well-known practice of lifetime employment used in Japan. On the other hand, manufacturers were in a constant conflict with guilds since the latter were a privileged institution, free from the shop inspection. Ultimately, having not provided the radical institutional changes in French industry, Colbert also could not achieve his main goal, that is to overcome the technological gap of France with more advanced economies.

Since the trade policy of Colbert was inherently protectionist, it was unable by itself to ensure the necessary development of French economy. It stuck in a competition between the manufactures and guilds. At the same time the most significant change, conceived by Colbert, did not find understanding. We mean the radical reshaping of social structure which was a prerequisite of the modernization of the entire economy of France. Here the views of Colbert were relying upon his understanding of the role of productive labor in the French economy. The large amount of workforce engaged in sectors that did not produce material goods seriously impeded the task to reduce the backlog with England and Holland. Among the things Colbert considered to be necessary for changing of the whole national institutional environment were: elimination of selling public offices, a large-scale reform of the justice of the judicial apparatus and finance,

aimed to substantial reduction of people employed here<sup>11)</sup>, drastically reduction of the number of monks in monasteries. Releasing this unproductively used labor, could have provided more staff for factories, becoming a pivot point in the competition between manufactures and guilds. It could ensure an accelerated development of industry by the means of provided much-needed resources for the wide-scope modernization.

In many respects proposals of Colbert may be called revolutionary for his time. On his behalf, the king considered them to be so dramatic that he did not decide on such a major re-structuring of the social structure of France. Were his proposals of institutional restructuring adopted, the national modernization could have been more successful. Thus, the whole Colbert's modernization doctrine failed, for the old order showed itself incompatible with the radical institutional changes.

In the 21st century the essential foundation of Colbert's approach find a certain response and understanding in Europe. The elements of Colbert's dirigist approach have found new ground within the Neo-Colbertist theories developed in Italy and France<sup>12)</sup>. The proponents of Neo-Colbertism stand for economic nationalism, they believe that the guidance of modernization processes requires the states and their national economies to resist globalization. One of the reasons for that was the fear of social destabilization, which could occur in the "old industrial countries" due to the transfer of production into the countries with lower labor costs.

Until the mid-1980s, most senior civil servants resented the Commission's intervention in economic matters: They often equated EC economic legislation with anti-national activism. But since the early 1990s, the once all-powerful national economic institutions such as ministries of economy and finance, budget, industry have more widely accepted a realistic view of the limits of their own policy abilities. They welcome the Community's decisions within the Single European Act (SEA<sup>13)</sup>) as a way to disengage the state from dying industries, to abandon its financial commitment to the lame-duck companies and to force politically unpopular decisions on workers unions.

Neo-realist scholars such as Andrew Moravcsik have shown how this "surrender" to Community, which apparently weakens member states, in fact serves their needs, as it generates desired outcomes without the associated political costs. For Moravcsik, the nation-state adjusts to new external constraints without abandoning its essential prerogatives<sup>14)</sup>. Vivien Schmidt reaches the same conclusion: "The state's colonization of business ... means that there remains a single interpenetrating elite setting the course of the French economy. As a result, the retreat of the state has not brought the end of state influence over business, only a different, and more modern kind that mirrors the modernization and internationalization of French business itself<sup>15)</sup>." The following table summarizes the transitional changes between traditional Colbertism and neo-Colbertism:

**Table 1. From Traditional Colbertism to Neo-Colbertism**

	<b>Traditional Colbertism</b>	<b>Neo-Colbertist Model</b>
Historical Period	Until the early 1980s	After the SEA
Financing Procedures	From public banking sector	From stock exchange and international markets
Modus operandi	State intervention	Market rules
Role of French State	Defines national legislation	Only one player among 15
Guiding Principle	Serves public	"An ever closer Union"
Role of Business	Followed government	Initiates/leads

The global crisis also has an impact upon this school of economic thought. Among the key areas of modernization Neo-Colbertists see the development of system of which shall oppose global crises through the creation of new national institutions, such as public investment companies which may exercise control over national companies, like GIC (The Government of Singapore Investment Corporation<sup>16)</sup>).

A different situation occurred in Japan, which had implemented modernizations not once, always ensuring success. The first experience of such a grand project that took place at the end of 19th - early 20th century (Meiji Period). It is notable as the earliest implementation of a catch-up strategy in a nation-wide scale. It encompassed all social strata of the nation, with the key role of the state and big business. The political regime, the monarchy did not interfere with the changes; on the contrary, it actively supported and facilitated them. It proved the possibility to perform the upgrade within the existing political system, provided it is committed to radical institutional changes. It also demonstrated the importance of achieving a public consensus around the national idea, which shall unite everybody in a synergetic effort to achieve certain goals. Being limited in natural resources, Japan has generated a specific modernization resource out of its institutional system.

The second grand modernization in Japan took place World War II. In both cases, the start-up point was when both the society and its government came to understand that the development at the current rate and, which is more important, in the same mode is inappropriate. It was the understanding of the necessity to change the vector in order to change the pace of economic development. It was also the understanding that these reforms would affect the fundamental institutions of society, property rights, techniques and methods of governing and management and in certain sense, the ideology itself. In the Meiji period it was explained by the necessity to increase the military power of Japan in anticipation of economic and territorial repartition of the world. On the contrary, in the second half of 1940s - early 1950s the country required demilitarization. A substantial reduction in military spending coincided with an increase of social spending and the boost of the final goods production specifically intended for the mass market.

Thus, in both cases the modernization of Japan was preceded by fundamental shifts in ideology, politics and economics. In order to modernize, it was necessary to ensure a broad social base and support from all strata of the population. In this connection modernization was preceded by the democratization of Japanese society, which provided an additional institutional resource of the project. An institutional equilibrium when all agents for that or another do not consider it profitable to spend resources on restructuring existing agreements, even if the latter are inefficient, was intentionally violated<sup>17)</sup>. It opened the way for the immediate institutional changes and further to those changes that should return the equilibrium at a new level. This sequence allowed to avoid the simulation of changes, a phenomenon known in the present Russian reality<sup>18)</sup>.

During the Meiji period the 'han system' was abolished, and feudals surrendered their hereditary authority to the central government, being re-appointed as non-hereditary governors of their former domains. The rights of peasants were ensured. Meiji oligarchy formed the core of the capitalist development. To generate revenue and to develop a sound infrastructure, the new government financed harbor improvements, lighthouses, machinery imports, schools etc. The liberalization of entrepreneurship was followed with the flush in public life.

Similar phenomena occurred after World War II when the 'economic miracle' of Japan was also preceded by a substantial economical liberalization and political democratization. The occupational administration had successfully (if not entirely) abolished many of the financial coalitions (Zaibatsu), which had previously monopolized industry.

It should be noted that the democratization of the Japanese society was only initiated by the Americans, but was implemented by the Japanese themselves who apparently demanded it. Although de jure the postwar economic reforms have been imposed upon Japan, de facto they found themselves profitable for the country. Thus a specific institutional source of the rapid modernization of Japan included an interconnected combination of internal institutional factors with an external influence. It increased the social opportunities of the nation, reduced transaction costs and provided the basis for the further rapid economic growth<sup>19)</sup>.

Being effective for Japan as a whole, its postwar reforms were painful enough for the privileged classes, since the property relations were affected. These reforms undermined the interests of many of wealthy and influential Japanese who obviously stood to lose a great deal. Alongside with the bureaucratic resistance, and the opportunistic behavior of

responsible officials it could not but hamper the implementation of these institutional changes. Thus the outcome of these problems depended upon the balance of the dominant economic interests and the political will of ruling elites.

In Japan, this problem was eased by the presence of the institution of Emperor and its power. Appeal to the Emperor's charisma sometimes allowed to break the resistance of the most influential samurai classes in the Meiji period as well as to suppress militarist wing of the government in 1945. It should be noted that the Institute of Emperor's power, being an inviolable basis of the Japanese society, did not remain immutable through the time. It has been changing through all the time in accordance with the desired circumstances and what is more, "... a qualitative leap forward was achieved on the basis of updating traditions, rather than their denial<sup>20)</sup> ." The modernization of the country began at the higher levels of governance, which sent strong signals to the lower levels of governance and to the society as a whole. We may remind the return of Emperor Meiji to the capital in 1868, and the historical address of Emperor Hirohito to the nation in 1946. Thus the state impact is carried through not only the layer of formal rules, but also through the layer of public sense. Inxter calls this process a cultural engineering: "when the state initiates changes of traditions and cultural values in order to reduce the financial and political costs of modernization<sup>21)</sup> ."

To sum up with the modernization patterns of Japan in the late 19th century and in the mid 20th century, we may point out two features. First, modernizations were initiated when the society recognized that the previous development pattern became inappropriate for the future practice. Second, modernizations were preceded with the transformation of government institutions, liberalization of economy and democratization of society, de-monopolization and development of entrepreneurial activity with a special support for small and medium-sized businesses, farms etc. It released the energy of society for implementation of new historical tasks. Creating of new institutions, introduction of new principles of work, rationalization of methods, on a new effective motivation grounds resulted in increase of productivity and efficiency. It became an additional source of innovation that allowed to make a breakthrough, to solve the urgent issues within the new technological and institutional framework.

Today there is no universal approach to the construction of modernization patterns of national economies. One of them is remarkable due to its promulgation in the European community, where it is related to with the policy of economic nationalism, or Neo-Colbertism. Another one, which is more inherent to the Asian countries, focuses on the Japanese model. Although the situation in Russia is to a certain extent unique and requires a specific approach, determining its own modernization pattern must consider the experience of modernizations which already taken place.

During the last one-and-a-half centuries in Russia modernizations occurred at least three times. The first one took place after the abolition of serfdom in 1861 and has been associated with the emergence of capitalism in Russia. The second took place in 1920-30s and was associated with the necessity to recover from World War I and Civil war losses, which gradually turned to the industrialization projects. The third began in early 1990s and the task was to re-introduce capitalism upon the basis of a centralized planned economy which was gradually dismantled.

In common features, the patterns of these upgrades seem to be similar to the Japanese patterns. All of these modernizations were preceded by a deep economic crisis, a prolonged stagnation of economy and an urgent appeal from society towards upgrading. As a rule, democratization and liberalization were also used, to a certain extent, as a specific conducive factor. In Russia of the late 19th century that was the liberation of the peasants from serfdom; in the USSR of 1920-30s it was the idea of a state of workers and peasants free from capitalist exploitation, which at least formally expanded their economic rights and social security. As soon as certain modernization resources were exhausted they were replaced with others, also aimed at ensuring economic growth<sup>22)</sup> . Japan of the first half of 20th century was pursuing an aggressive foreign policy seeking for new territories and reparations inflow from the defeated countries. In 1920s the USSR abandoned the trozkist ideas of the world revolution in favour of selected participation in geopolitical conflicts on the general background of increase of its defense capabilities in the face of the 'threat of capitalism'. But all of this, both in Japan and in the USSR has largely compromised the very idea of modernization and resulted in sharp

social and economic conflicts, which forced first to change the vector of policy and next, to roll some of reforms back.

When the institutional changes go against accepted standards, their implementation and maintenance become costly. As a result, the emergence of a new economic institution may entail an unforeseen increase of transaction costs that would nullify the effect of its introduction. Ryazanov notes that “introduction of the institution will be effective only if the increase in transaction costs will be offset by profit growth or decline in the total (production and transaction) costs<sup>23)</sup>”. We may assume as a basic criteria of the necessity of institutional changes that they must serve as a factor of growth, and not the brake. In this context, the success of Japanese modernization after WWII is determined by the fact “they were not burdened with high transaction costs, thus showing themselves virulent in the specific institutional conditions in the long run<sup>24)</sup>”, rather than the mere innovations and their mass scale implementation. Thus, returning to the issue of Russian modernization pattern for today, we must insist that its social eligibility should be coupled with a reduction of transaction costs, which is not too easy in the current situation.

Recent global crisis has revealed in Russia an alarming trend to slow down the pace of modernization. Certain sectors of the economy have shown even regressive changes: increased monopolization, decreased agricultural productivity, increased bureaucratization of the economy etc.<sup>25)</sup>. At the same time no institutional changes were undertaken although necessity of them has been steadily increasing. Besides other drawbacks, the attractiveness of the investment climate decreased. All that constituted the necessity to search for the newer modernization patterns.

The new modernization project for Russia must be evaluated in terms: is it the further development of recent market reforms, or the re-acceleration of the lost pace within the old model, or this is a radical change of the previously selected pattern. These evaluations bring us to the conclusion that this is not a roll-back of the previous reform. Rather, this is an attempt to make some fundamental changes pursuing the goal to upgrade to a higher level of technological, social and economic development. It is apparent that success on this way may be achieved only upon understanding that to succeed one shall critically estimate the present state of things, understanding that the current pace is inappropriate, and to define strictly the resource set to be used in this project. The peculiarity and complexity of the situation is that we observe attempts to combine the two processes, first, to extend the previously reform pattern and, second, to give it a new impetus and a new vector. It should be recognized that the negative effects of the previous pattern as bureaucracy and corruption has not yet been overcome, and the whole resource set to be applied in the future model has not been clearly defined.

Drawing on the experience of countries which have already passed through modernizations, we may pick out certain conditions that should be met to provide success. The most important of them are: a clear ideological framework that shall unite the society, relevant changes in formal and informal governance rules, with the subsequent institutional shift, and ‘cultural engineering’ and other specific resources of support for modernization project. Probably some qualitative estimates may be useful here to evaluate the performance during the active phase. In particular, it is necessary to identify and to prevent attempts to simulate reforms with publicized impressive campaigns, which may lead to waste, and even to a loss of resources without the relevant economic and social return, or disorientate the planned vector of the entire pattern.

## Notes

- 1) *Ponomaryov, I., Remizov, M., Karyev, R., Bakoulev, K.* “The Modernization of Russia as the Construction of a New State”. An Independent Expert Report. M.: 2009. <http://www.apn.ru/publications/article22100.htm>
- 2) *Arinin, A.* Modernization of Russia: Lessons of History And Present Tasks. <http://www.lawinrussia.ru/glavnaya-tema/2009-11-09/modernizatsiya-rossii-uroki-istorii-i-sovremennye-zadachi.html>
- 3) *Diskin, I.* Crisis... anyway, the modernization. M., 2009. p.35
- 4) A. Parshev has almost surely determined all critical points of the economic structure of Russia, differing between those inherited

- from the destroyed planned economy and those which newly appeared in the course of the latest market reforms. See *Parshev, A. Why Russia is not America. M., 1999.*
- 5) *Travin, D., Marganiya, O. The European modernization. M.-SPb, 2004. V.1,p. 63*
  - 6) See more, for example, *Colbert, Letters, VI, 260-270; VII,230 etc.* This Colbert's correspondence with Louis XIV is contained in *Cole Ch. W. Colbert and a century of French mercantilism. N-Y.,1939 Vol.1, PP.343-347*
  - 7) *Joël Cornette. La France de la monarchie absolue, 1610-1715. Éditions du Seuil, 1997. - P. 277: Le "colbertisme" n'est que la version française du mercantilisme ou, mieux, du "système mercantile" élaboré et plus ou moins pratiqué dans plusieurs pays d'Europe des le XVI siècle*
  - 8) See more *Lyublinskaya. A. France under Richelieu. French absolutism in 1630-1642* ГГ. L. 1982. PP. 217-243.
  - 9) See, for example, *Cole, Ch.W. Colbert and a century of French mercantilism. N-Y.,1939; Malov, V. J.-B. Colbert. The absolutist bureaucracy and French society. M.,1991*
  - 10) *Women, work, and family. By Louise A. Tilly, Louise Tilly, Joan Wallach Scott*<http://books.google.com/books?id=y65tmb9uJrcC&pg=PA63&dq=industrialization+of+France&hl=en#v=onepage&q=industrialization%20of%20France&f=false>
  - 11) In a note to the King of 22/10/1664 Colbert estimated number of people employed in these areas to 100 thousand people. See *Malov, V. Ordinance cit. p.94*
  - 12) See, for example, *Amatori & Felsini, Stato ed Economia, verso un nuovo Colbertismo, Rubettino editor 2010*
  - 13) SEA - Single European Act, formulates the principles of the European political and economic cooperation
  - 14) See, for example, *Moravcsik, A. The choice for Europe: social purpose and state power from Messina to Maastricht. NY, 1998*
  - 15) *Michel R. Gueldry. France and European integration: toward a transnational polity? N.Y., 2001 PP.87-88*
  - 16) *Goldstein, A., and Pananond, P. Singapore Inc. Goes Shopping Abroad: Profits and Pitfalls. Journal of Contemporary Asia, 38/3: 417-438, 2008*
  - 17) *Douglass Cecil North Institutions, Institutional Change and Economic Performance, M., 1997.P. 112.*
  - 18) *Akinin, A., Shevelev, A. Fundamental transformation of economic theory and the prospects of modernization in Russia // S-Pt. University Review. Ser. 5. 2010. Iss. 4.P. 18.*
  - 19) See, *Druzhinin, N. Institutional factors of post-war economic system development in Japan. S-Pt., 2007.*
  - 20) *Zhukov, A. Conservatism and traditionalism in modern Japan / Japan 2000: conservatism and traditionalism. M., 2000. P. 10.*
  - 21) *Inkster, I. The Japanese Industrial Economy. Late development and cultural causation. L., N.Y. 2001. P. 22.*
  - 22) See *Yasin, E. Modernization of the economy and values system // Modernization of the Russian economy: the social context. M., 2004.*
  - 23) *Ryazanov, V. Economic development in Russia XIX-XX cent. S-Pt., 1998. P. 522.*
  - 24) *Druzhinin, N. Effect of institutional environment on the organization of corporate governance (for example, Japan) // S-Pt. University Review. Ser. 5. 2006. Iss. 2.P. 122.*
  - 25) See *Kuzyk, B., Yakovets, Y. Russia - 2050: strategy of innovation breakthrough. M., 2004.*