

1 Introduction: The narrative of Airbus

(Let's be honest:) Attempts of Russia to modernise its economy through qualitative growth and ensure global competitiveness, especially in the high-tech-industries, are leading to nowhere. Instead, the country is finding itself in the midst of a stagnation and de-modernisation process whereby the innovation capacity is continuing to decline – although an increasing amount of resources is put into research and development.¹

Under Putin's neo-authoritarianism the responsibility for modernisation has over the last ten years been in the hands of organisations, which the media have called "state corporations". Even though state integration of the enterprises along the innovation- and value chains is easy to comprehend, especially after the experiences made during the 1990s, the state corporations are hardly capable of implementing the modernisation programmes.

Against this background, it is all the more surprising that we can observe a constant concentration process, in which state enterprises are merged into ever greater holdings. Only recently the integration of the aviation state corporation UAC (United Aircraft Corporation) into the para-public Corporation Rostec has been decided for 2019/20.² This step is celebrated by the media as the formation of a „Russian Airbus PLC“ and rebirth of the Russian aerospace industry. Though it is easily forgotten that, *the rebirth was announced already twelve years ago with the foundation of the UAC*. Rostec today comprises hundreds of companies out of the defense industry, the engineering and pharmaceutical industries. It overshadows not only Airbus, Boeing and large multinational groups like General Electric or Samsung, but also the USSR's Ministry of Middle Machine Building. Rostec is an NPO, a Non-Profit-Organisation, which follows its own rules and is regulated by „bespoke(n) legislation“./

In the Eastern European discussion, which deals with authoritarian post-Soviet regimes and their disruptive elements, the focus is on political processes and the ability to implement reforms. This paper attempts to draw attention to the disruptive factors of sectoral governance through state corporations. The core question will be, which effect do state corporate governance structures have on the (de-)modernisation process. Forms of state corporate governance, especially the NPO-forms, will be questioned. As an explanation approach, the analysis of informal interaction systems and their impact on state governance processes will be used. *(Übergang?) Especially in the very complex innovation and value-added processes, it is the informal regulation(system) and interaction systems that shape the success of modernisation.*

This paper represents the hypothesis, that informal interaction systems do have - regardless of state corporate forms - adverse, misleading, negative effects on the governance of modernisation, even though for different reasons.

¹ - Global Innovation Index 2018 (2018) Energizing the World with Innovation, available at: https://www.globalinnovationindex.org/userfiles/file/reportpdf/gii_2018-report-new.pdf, accessed 20. August 2019.

Global Innovation Index 2014 (2014) The Human Factor in Innovation, available at: <https://www.globalinnovationindex.org/userfiles/file/reportpdf/GII-2014-v5.pdf>, accessed 3 August 2018.

Kudrin postavil tekuchiy ekonomicheskij rost RF nizhe vremen zastoya v SSSR, 2017, available at: <http://www.interfax.ru/business/545175>, accessed 20 August 2019.

² Dmitrienko, I. (2017) 'Tekhnologii pogloshcheniya', 19 September 2017, available at: <http://www.profile.ru/economics/item/119660-tekhnologii-pogloshcheniya>, accessed 12 March 2019. (vorher ohne Autor)

Ukaz presidenta N596 (2018) 'Ob imushchestvennom vnzose Rossijskoj Federatsii v gosudarstvennyu korporatsiyu (...) Rostekh, (24.10.2018), available at: <http://publication.pravo.gov.ru/Document/View/0001201810240026?index=2&rangeSize=1>, accessed 12 March 2019.

The analysis is focused on the aerospace industry, which belongs to the country's leading high-tech-industries. By the example of the two most important corporations, we look at the similarities and differences of the formal and informal interaction systems as well as at their incentives and sanctions. Subsequently, the impacts of state corporate governance will be demonstrated by the example of a [leading aircraft manufacturer](#) and [modernisation processes there](#).

2 Authoritarian state governance and informal systems of interaction

For more than 300 years, Russia has been trying to achieve *sustainable* modernisation. The major impediments are usually seen in the deficiencies of the formal institutions *of(?) the different/various/respective economic systems. These institutional features though* have always been affected by informal institutions. Informal institutions must *thereby* not be understood as a peripheral phenomenon but as a macrosocial basis of the conduct.

Looking at it generally, informal interaction have always determined the social behaviour of the Russian society substantially. This applies as much to the centrally planned economy during the Soviet period as it does to the liberal years under Yeltsin and to the state corporatism of the Putin era [itself](#).³ The informal interactions are embedded into the respective formal institution. Though they are, however, no by-product of the formal regulation systems. *Just as well it could be argued that they use and shape the formal system in a way to maximize their autonomy of action so they best serve their interests.* Ledeneva, Barsukova and Hanson speak of „Gaming the System“ and describe different forms of instrumentalisation of formal regulation systems.⁴

The real 'intrinsic' interests of these networks are rooted in the historically grown values and experiences of a low-trust-society. A society which is above all influenced by a generalised distrust⁵ of other players and

Kommentiert [PJ1]: Die Zitierweise in Fußnoten finde ich generell schwierig - ist das in Ihrem Fachbereich so üblich?

³ Grossmann, G. (1977) 'The Second Economy of the USSR', *Problems of Communism*, 26, 5 September/October.

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Vasilova, A. (2017) 'Trapped in Informality', *New Political Economy*, 23, 3, July. (P. 181-182) / (314-330)

⁴ Ledeneva, A. & Barsukova, S. (2018) 'Concluding Remarks to Vol. II: Are Some Countries More Informal than Others? The Case of Russia' in Ledeneva A.(eds), (2018) Vol.II. ((P. 487-492.)

Hanson,P. (2018) 'Gaming the System', in Ledeneva A.(eds), Vol.II, (2018)

(P. 181-185, here P. 181-182.)

⁵ Der Begriff wird als Antonym zum *generalisierten Vertrauen* genutzt. /This Term is used as Antonym to the term *generalized trust*. Robert Putnam: *Making Democracy Work. Civic Tradition in Modern Italy*, Princeton 1993.

also formal institutions.⁶ *The behavioural insecurities (resulting from this) are compensated* by personal network connections.

This is a problem for the *governance* of macrosocial and therefore cross-network complex *tasks since thesenetworks generate* heterogeneous morals. While the players within the interaction systems are willing to offer a high level of helpfulness, solidarity and show a consensus orientation, in external relationships we find

⁶ Shlapentoch, V. (2006) 'Trust in Public Institutions in Russia', *Communist and Post-Communist Studies* 39, 2, June.

Mildner K. (1995) 'Korruption in Russland', in Wollmann, H. & Wiesenthal, H. & Bönker, F.(eds) (1995) ((P. 346-364, here P. 355.)).