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## Editorial

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**Biographical notes:** Andrei A. Yakovlev is Director of Institute for Industrial and Market Studies, and Professor at the Department of Public Administration at National Research University Higher School of Economics. He is a graduate of Moscow State Lomonosov-University (MSU) and earned his PhD degree from MSU in 1992. His research interests are in comparative studies of corporate governance, industrial policy and state-business relations in Russia. He worked a lot as expert and team leader in many policy advice projects for the Russian Government. In 2005–2007, he was a leader of Russian team in joint project with World Bank on Investment Climate Assessment (ICA) and competitiveness of Russian manufacturing industry. Since 2011, he leads the Russian team in World Bank ‘Doing Business in Russia’ project. He is member of Executive Committee of European Association for Comparative Economic Studies and Vice-President of Association of Russian Economic Think Tanks.

Sergey M. Kadochnikov is the Director of the Saint-Petersburg Campus of Higher School of Economics (HSE-SPb, Russia), Professor of the Department of Economics at HSE-SPb (Saint-Petersburg, Russia) and Professor of the Department (Chair) of International Economics at the Graduate School of Economics and Management of Ural Federal University (Yekaterinburg, Russia). He is a graduate of Ural State University (Yekaterinburg, Russia) and University of Constance (Constance, Germany) and earned his Doctor of Science in Economics from Saint-Petersburg State University (Saint-Petersburg, Russia). Before joining in 2013 the Higher School of Economics, he has been for last ten years a faculty member and the Dean of the Department (School) of Economics at the Ural State University (Yekaterinburg, Russia) and the Dean (Director) of the Graduate School of Economics and Management at the Ural Federal University (Yekaterinburg, Russia). His main research interests include international trade, foreign direct investment, and regional and agglomeration economy.

This special issue of the *International Journal of Economic Policy in Emerging Economies (IJEPEE)* brings together five papers, selected through a peer-review process, from 32 papers presented at the International Academic Conference ‘Adjustment of Economic Structure and Sustainable Development: Perspectives in Russia and China’ held in Yekaterinburg, Russia, 4–5 October 2012. This conference has been organised jointly by the Center for Economic Development Research (Wuhan University, Wuhan, Hubei, China) with the Institute for Industrial and Market Studies and Faculty of Economics (National Research University – Higher School of Economics, Moscow, Russia), and the Graduate School of Economics and Management (Ural Federal University, Yekaterinburg, Russia) and aimed at organising a discussion on the most urgent issues in economic growth and development in Russia and China, empirical research and elaboration of various approaches to the methods of data collection and analysis. The EACES Workshop ‘Upgrade the International Competitiveness of Export Industries and Transform the Pattern of Economic Development’ took place at the Conference with main discussion focus on the interconnection between economic openness and development of economic structure in modern Russia and China.

The issue of economic openness and the general regularities, that apply to any country in the world economy, including, naturally, Russia and China, have found interesting interpretation in the paper written by Wladimir Andreff, the Honorary President of the International Association of Sport Economists and European Sports Economics Association, and titled ‘Economic development as major determinant of Olympic medal wins: predicting performances of Russian and Chinese teams at Sochi Games’. The paper starts from an econometric model successfully used to explain and then predict the distribution of medal wins across nations at the Beijing Summer Olympics, and elaborates a similar model with some different explanatory variables for estimating the determinants of medals won per nation at Winter Games. A Tobit estimation of the model based on data from 1964 to 2010 shows that GDP per capita, population, the endowment in ski and winter sports resorts, and a host country dummy are significant determinants of medal wins at Winter Olympics. Then the estimated model is used for predicting the sporting outcomes at the 2014 Sochi Games with a focus on Russia and China.

The pronounced positive correlation between the volume of foreign trade and economic growth rates in China has been repeatedly documented in empirical studies. The paper by researchers Ying Ma and Han Li from Wuhan University (Wuhan, China) is an attempt to empirically test how the rapid growth of China’s foreign trade can be explained by the complex of theoretical concepts in the international trade theory, including both the new paradigm of the vertical specialisation and classical concepts of the theory of comparative advantage. The authors employ the data on China’s foreign manufacturing trade in 1992–2009 and conclude that among the important factors behind the growth of China’s foreign trade are the level of vertical specialisation in trade, relative China’s labour and capital endowment, as well as total factor productivity in the economy.

In the paper ‘Economic growth due to export externalities: a spatial econometric analysis for Russian regions, 2003–2008’ written by Sergey M. Kadochnikov and Anna A. Fedyunina, researchers from Higher School of Economics (Saint-Petersburg Campus, Russia) and Ural Federal University (Yekaterinburg, Russia) raise the issue of the economic growth determinants and examine in details the quality of exports in Russian regions as a factor of their economic development, meaning by the quality of

exports the relationship between products in export basket in a region. The authors hypothesise that not industry variety per se but variety of related industries significantly contributes to economic growth in Russian regions. An empirical analysis at a refined level of sectoral and spatial aggregation shows that export externalities have a positive and significant impact on employment growth in most sectors of the economy. Simultaneously, spatially lagged export productivity has varying effects on employment growth depending on the sector, which is decelerating economic growth in industrial sectors and accelerating economic development in the most advanced service sectors.

The issue of regional components of economic development in relation to the Russian economy is studied in detail in the article ‘Spatial inequalities in Russia: dynamic and sectorial analysis’ written by Evgeniya Kolomak, a researcher from the Higher School of Economics (Saint-Petersburg Campus, Russia) and the Institute of Economics and Industrial Engineering, Siberian Branch of the Russian Academy of Sciences. The author studies the dynamics of inter-regional economic disparities in Russia for a number of development characteristics and shows, that the spatial concentration of economic activity continues in Russia and that the rate of inter-regional divergence is rather high. The factors that affect spatial concentration and regional disparities in Russia are population density, size and accessibility of markets, as well as the level of diversification.

Underdevelopment of institutions and related institutional issues are considered by many researchers as a fundamental obstacle to a long-term economic growth in most developing countries, including Russia. One of the typical signs of underdevelopment institutions in Russia acts of corruption. Russia took 143rd place on the Corruption Perception Index in 2011. A young researcher from the Higher School of Economics (Moscow, Russia) Alexandra Bashina in her article ‘Factors related to informal payments in public procurement in Russia’ empirically assesses the factors of corruption in the Russian system of public procurement. Her econometric study demonstrates a number of unexpected results. In particular, the incentives to bribe are higher in sectors with strong competition (fair and unfair). For holding company members, the probability of bribery is lower than for other enterprises. The companies owned by the state are less involved in bribery than are private firms. The probability of bribery increases if unpredictable government regulation and political instability heavily influence enterprise performance.

Overall, the papers in this special issue aim to contribute to the broad debate about the modern structural changes (both sectoral and spatial) and institutional development of the economics of Russia and China during the economic recession after the world financial and economic crisis 2008–2009. We believe that the papers reflect the contemporary challenges in Russia and China, providing relevant evidence with appropriate policy implications.

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