


ROLE AND PLACE OF INSTITUTIONAL CAPACITY IN SOCIO-ECONOMIC DEVELOPMENT

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ARTICLE INFO	ABSTRACT
<p>Article history:</p> <p>Received 10 July 2023</p> <p>Accepted 12 October 2023</p>	<p>Purpose: The purpose of the study is to substantiate the place and role of institutional capacity in socio-economic development (SED), taking into account the regional context.</p>
<p>Keywords:</p> <p>Socio-Economic Development; Institutional Capacity; Institutional Rente; Rent Generating Factors; Institutional Changes; Evolution of Public Relations.</p>	<p>Theoretical framework: To conduct the study, it was highlighted that the SED of society and the state is a process, as a result of which new opportunities are created for the subjects of public relations in obtaining income from the use of the potential of the resource base in the field of rental relations. The effectiveness of such a process is directly related to the process of managing the development of economic potential, which determines its role and place in the SED of society and the state.</p>
	<p>Design/methodology/approach: In the study, the following components are classified as structural elements of economic potential: resource and institutional potential. To clarify the methodological approach to assessing the institutional potential of SED, as a category of social relations, the terminological basis of this concept was considered. Institutional potential, as a scientific concept that expresses the development of the most general institutional ties in socially significant relations between subjects of public relations, is studied in the system of socio-economic transformation "resource-potential-capital", in which the institution is a resource. The place of institutional potential is determined by the direction of evolutionary changes in SED aimed at meeting the diverse needs of society. At the same time, the institutional transformation of its resource potential creates opportunities for the subjects of this process to receive income in various areas of social relations.</p> <p>Findings: As a result of the study of the role of institutional capacity, a scientific rationale was obtained for managing the effectiveness of SED, which is associated with the result of its development. As a result of the process of transformation of institutional potential, it is an institutional rent, that is, the possibility of extracting monopoly income by the subjects of rent relations in the SED process.</p> <p>Research, Practical & Social implications: The study of the terminological basis of the concept of "institutional potential", as a category of SED, allows us to expand the methodology of exploratory and fundamental research in the field of the influence of institutions on the evolution of social relations in relation to the problems of managing the processes of development of a competitive environment.</p> <p>Originality/value: Clarification of the institutional potential concept, as well as substantiation of its role and place in the assessment and implementation of SED</p>

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processes, allows us to propose mechanisms for adjusting institutions operating in society in order to increase the effectiveness of the SED institutional model.

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PAPEL E LUGAR DA CAPACIDADE INSTITUCIONAL NO DESENVOLVIMENTO SOCIOECONÔMICO

RESUMO

Objetivo: O objetivo do estudo é fundamentar o lugar e o papel da capacidade institucional no desenvolvimento socioeconômico (SED), levando em conta o contexto regional.

Estrutura teórica: Para conduzir o estudo, destacou-se que a SED da sociedade e do Estado é um processo, em resultado do qual novas oportunidades são criadas para os sujeitos de relações públicas na obtenção de renda a partir do uso do potencial da base de recursos no campo das relações de aluguel. A eficácia de tal processo está diretamente relacionada com o processo de gestão do desenvolvimento do potencial econômico, que determina o seu papel e lugar na SED da sociedade e do Estado.

Concepção/metodologia/abordagem: No estudo, os seguintes componentes são classificados como elementos estruturais do potencial econômico: recursos e potencial institucional. A fim de clarificar a abordagem metodológica para avaliar o potencial institucional da SED, enquanto categoria de relações sociais, foi considerada a base terminológica deste conceito. O potencial institucional, como um conceito científico que expressa o desenvolvimento dos laços institucionais mais gerais nas relações socialmente significativas entre sujeitos de relações públicas, é estudado no sistema de transformação socioeconômica "recurso-potencial-capital", no qual a instituição é um recurso. O lugar do potencial institucional é determinado pela direção das mudanças evolutivas na SED, visando atender às diversas necessidades da sociedade. Ao mesmo tempo, a transformação institucional de seu potencial de recursos cria oportunidades para que os sujeitos desse processo recebam renda em diversas áreas das relações sociais.

Constatações: Como resultado do estudo do papel da capacidade institucional, obteve-se uma fundamentação científica para a gestão da eficácia da SED, que está associada ao resultado do seu desenvolvimento. Como resultado do processo de transformação do potencial institucional, é uma renda institucional, ou seja, a possibilidade de extrair renda monopolista pelos sujeitos de relações de renda no processo SED.

Pesquisa, implicações práticas e sociais: O estudo da base terminológica do conceito de "potencial institucional", como categoria de SED, permite ampliar a metodologia de pesquisa exploratória e fundamental no campo da influência das instituições na evolução das relações sociais em relação aos problemas de gestão dos processos de desenvolvimento de um ambiente competitivo.

Originalidade/valor: A clarificação do conceito de potencial institucional, bem como a substanciação do seu papel e lugar na avaliação e implementação dos processos de SED, permite-nos propor mecanismos de ajustamento das instituições que operam na sociedade, a fim de aumentar a eficácia do modelo institucional de SED.

Palavras-chave: Desenvolvimento Socioeconômico, Capacidade Institucional, Rendas Institucionais, Fatores Geradores de Aluguel, Alterações Institucionais, Evolução das Relações Públicas.

PAPEL Y LUGAR DE LA CAPACIDAD INSTITUCIONAL EN EL DESARROLLO SOCIOECONÓMICO

RESUMEN

Objetivo: El objetivo del estudio es fundamentar el lugar y el papel de la capacidad institucional en el desarrollo socioeconómico (DEE), teniendo en cuenta el contexto regional.

Marco teórico: Para llevar a cabo el estudio, se resaltó que el SED de la sociedad y el estado es un proceso, como resultado del cual se crean nuevas oportunidades para los sujetos de relaciones públicas en la obtención de ingresos por el uso del potencial de la base de recursos en el campo de las relaciones de alquiler. La efectividad de tal proceso está directamente relacionada con el proceso de gestión del desarrollo del potencial económico, que determina su papel y lugar en el DEE de la sociedad y el Estado.

Diseño/metodología/enfoque: En el estudio se clasifican los siguientes componentes como elementos estructurales del potencial económico: recurso y potencial institucional. Para aclarar el enfoque metodológico de la evaluación del potencial institucional de la SED, como categoría de relaciones sociales, se consideró la base terminológica de este concepto. El potencial institucional, como concepto científico que expresa el desarrollo de los lazos institucionales más generales en las relaciones socialmente significativas entre sujetos de relaciones públicas, se estudia en el sistema de transformación socioeconómica "recurso-potencial-capital", en el que la institución es un recurso. El lugar del potencial institucional está determinado por la dirección de los cambios

evolutivos en los SED dirigidos a satisfacer las diversas necesidades de la sociedad. Al mismo tiempo, la transformación institucional de su potencial de recursos crea oportunidades para que los sujetos de este proceso reciban ingresos en diversas áreas de las relaciones sociales.

Hallazgos: Como resultado del estudio del papel de la capacidad institucional, se obtuvo una justificación científica para el manejo de la efectividad de la SED, la cual se asocia con el resultado de su desarrollo. Como resultado del proceso de transformación del potencial institucional, se trata de una renta institucional, es decir, la posibilidad de obtener ingresos monopólicos por parte de los sujetos de relaciones de renta en el proceso SED.

Investigación, implicaciones prácticas y sociales: El estudio de la base terminológica del concepto de "potencial institucional", como categoría de DEE, permite ampliar la metodología de la investigación exploratoria y fundamental en el campo de la influencia de las instituciones en la evolución de las relaciones sociales en relación con los problemas de gestión de los procesos de desarrollo de un entorno competitivo.

Originalidad/valor: La clarificación del concepto de potencial institucional, así como la fundamentación de su papel y lugar en la evaluación e implementación de los procesos de DEE, permite proponer mecanismos de ajuste de las instituciones que operan en la sociedad para incrementar la efectividad del modelo institucional de DEE.

Palabras clave: Desarrollo Socioeconómico, Capacidad Institucional, Alquiler Institucional, Factores Generadores de Rentas, Cambios Institucionales, Evolución de las Relaciones Públicas.

INTRODUCTION

In modern scientific works devoted to the evolution of social relations, a separate place is given to the consideration of the potential for SED. The central problem area is that the socio-economic evolution of society and the state is carried out through the simultaneous development of productive forces and production relations. At the same time, the results of the development of productive forces quite often outstrip the results of the development of social relations, thereby causing social conflicts in various areas of social relations.

In modern research, this problem is considered from different points of view. However, the goal of solving this problem remains common, namely, determining the balance between economic efficiency and social justice. One of the ways to reduce the threat of political, socio-economic and other crisis situations is the transformation of the institutional environment, which is carried out through timely institutional changes in the system of institutions operating in society.

The Institute is a resource that provides opportunities for SED through the formation of a restrictive framework in relations between the subjects of SED. In this sense, the main goal of the process of institutional transformation is to change the restrictive framework that determines the relationship between the subjects of public relations on the use of various types of limited resources. At the same time, the resources used in various spheres of social relations are the resource potential of SED.

The basis for the development of productive forces is the resource potential, which combines in its concept such categories as natural and economic resources, and the basis for the development of production (social) relations is the institutional potential, which:

- In a narrow sense, it ensures the construction of infrastructural (organizational) links in various production processes for the transformation of the resource base into goods and services;
- In a broad sense, it ensures the evolution of the institutional environment, which forms new directions for social development.

As a multi-level object of study, the resource potential is an economic category that reflects the relationship between the opportunities available to the subjects of public relations and the results of their use of the resource base. At the same time, if opportunities are determined by the quality and quantity of resources that are available to the SED subjects, then the achievement of results largely depends on the ability of the subjects to create favorable conditions that allow them to effectively manage the existing resource base. In this sense, the abilities of the subjects of public relations, as a necessary set of their professional competencies, are a determining factor in the process of developing institutional potential, and is directly dependent on the development of human and social capital. Creating favorable conditions implies not only the desire, but also the ability of the SED subjects to harmonize their interests, as a result of which the organizational costs of their relationship are reduced and income from the capitalization of resources is increased. It should be noted that the resources themselves, without their involvement in social relations, cannot generate income. Therefore, in the process of developing social relations, the subjects choose interaction strategies (cooperation or competition), which determine the main directions for the disposal of resources.

In this study, the disposal of resources is proposed to be understood as the process of their transformation into capital (capitalization of resources), or the ability of subjects of SED to manage changes in the structure of resource potential to the level at which it begins to generate income by reducing production and institutional costs.

In the modern scientific world, it is generally recognized that the reduction of institutional costs occurs due to the implementation of institutions that, as specific resources of social relations, can generate income in the process of their transformation from institutional potential to institutional capital. Therefore, for the scientifically based regulation of rent relations, it becomes necessary to understand the processes of formation of the institutional environment, in which the processes of evolution of the institutional potential, as a driver of the SED of society and the state, play a key role.

From the point of view of the authors, the study of the terminological basis of the concept of "institutional potential" as a category of SED will expand the methodology of

exploratory and fundamental research in the field of the influence of institutions on the evolution of social relations in relation to the problems of managing the processes of development of a competitive environment. This determines the relevance of this study, the purpose of which is to substantiate the place and role of institutional capacity in the SED of society and the state, focusing on the level of regional governance. The tasks concretizing the set goal of the study include: clarification of the concept of institutional capacity; substantiation of its role and place in the SED processes, taking into account the regional context.

THEORETICAL FRAMEWORK

In general, potential is understood as a set of resources that determine the ability of an organization to achieve its goals. In this sense, the economic potential of an organization means a resource base that is different in composition and size, used by an economic entity. As an economic category, the economic potential of an organization is a multi-level object of study; therefore, various methodological approaches are used in its assessment (Artemyeva, 2010).

One can agree with the opinion of A. Makarov, according to which “at the present stage of development in the economic literature there has not yet been a clear definition of the category of “economic potential”, which is a complex, multifaceted, dynamically developing concept. Based on a study of various approaches to its definition, in particular, the “economic potential of an organization” should be understood as “planning, organization, management and control over the formation and use of the organization’s available resources within the framework of a strategic benchmark, taking into account the influence of external factors, as well as opportunities to achieve strategic goals of the organization” (Makarova, 2018).

According to L. Sosnenko, the generalized directions for studying economic potential include: the resource direction (determining the value of assets) and the resultant direction, which determines the assessment of the subject’s ability to “produce the maximum amount of benefits with the quantity, quality and structure of resources available to him” (Sosnenko, 2003). It should be noted that if in modern publications the term “economic potential” as an economic category is most often considered at the macroeconomic level, then the economic potential of the organization is studied at the microeconomic level, while the economic potential of economic entities makes it possible to reveal the development of a region or industry. In other words, it is considered at the mesoeconomic level.

From the position of the authors of the study, a concept that is close in meaning to the economic potential of an organization is the concept of its “resource potential”, as “the ability

of its economic and management system to use internal resources with maximum economic effect under the influence of environmental factors” (Nikolaeva & Uryaseva, 2017). A more capacious concept is the term "resource potential of the region", as "the totality of its natural and economic resources used to achieve the final national economic result. The resource potential of the region can be divided into ecological, social and economic. In addition, they single out the integral or aggregate potential of the region” (Nesterova, 2012).

In many works, researchers associate the economic potential of the region with its economic security, which is understood as “a set of conditions and factors that characterize the current state of the economy, stability, sustainability and progressive development. At the same time, this is the degree, on the one hand, of integration of the regional economy with the economy of the Russian Federation, and, on the other hand, of regional independence” (Crow-Slivinskaya, 2018). It is also possible to consider the economic security of the region not only taking into account its resource base, but also taking into account the innovative component, laying the foundations for improving the efficiency of the functioning of the constituent entities of the Russian Federation and creating favorable conditions for their economic development from a strategic point of view (Zaytsev, Sun, et al. al., 2021).

It should be noted that in order to clarify the territorial features of the development of regions, together with the concept of "economic potential of regional development", the concept of "potential of territorial development" is used. For example, A. Syrov considers the problem of assessing the potential of territorial development from the point of view of the possibility of “involving territories in the process of strategic development of the region based on its specialization, availability of resource potential and competitive advantages. An in-depth structural-component analysis of the reserves of territories allows us to formulate the directions of functional economic strategies: the development of human resources, engineering infrastructure, transport network, mineral resource base, agriculture and forestry” (Syrov, 2008).

Exploring the relationship between economic security and economic potential at the national level, A. Babkin analyzes various definitions of economic security and comes to the conclusion that there are “three distinct approaches to its definition: through interests (national, state, public, etc.); through "sustainability" (of the national economy, economic development, socio-economic system, etc.); through "independence" (economy from foreign markets, economic policy from influence from outside). The essence of economic security is to ensure the economic development of the country, in order to achieve economic growth and improve

the quality of life of the population, and this is associated with economic potential. Thus, the economic potential makes it possible to judge the state of economic security and evaluate it” (Babkin, 2013).

One can agree with the opinion of S. Nayden that “the fundamental factor of economic progress is the social potential capable of ensuring the progressive development of territories. Social potential is understood as human capital, which is reproduced on the basis of social and personal well-being in the socio-economic conditions of a particular territory. At the same time, the assessment of social potential is of particular importance, since it allows you to expand your understanding of the reactions of the social system to institutional shocks, about the real distribution of social effects in space” (Nayden, 2020).

The fundamental category that generalizes the totality of factors of SED is the “potential for socio-economic development”, which (for example, in relation to the region) is understood as “the totality of socio-economic factors, incentives, sources of effective use of the productive forces of the region” (Lyubimova et al., 2007). In modern scientific research, the assessment of the potential for the SED of the region is revealed through the assessment of political, economic, social, institutional, scientific and technological, and other factors that have a direct impact on regional development.

The use of the concept of "potential for socio-economic development" leads to an understanding of the need to study the interaction of subjects of public relations in complex multi-level systems using a systematic approach that ensures the use of the results of scientific work in such areas as philosophy, psychology, sociology, etc. (Maykova et al., 2019). It should be noted that the key role in the SED of society and the state is played by the institutional environment, which is a set of institutions and institutional relations through which various social exchanges are implemented.

Currently, there are various approaches to the definition of the concept of "institutional environment". From the point of view of the authors of the study, the most successful definition was proposed by D. North, according to which: “The institutional environment of a society is formed by a set of institutional restrictions, which are the framework within which people interact with each other. The complex of formal and informal institutions forms the economic system or, more generally, society as a whole. The institutional system helps to maintain the level of development of society, determines the basic structure of production, acts as the basis for restrictions on exchange” (North, 1990).

A great scientific contribution to the study of problems related to the formation and development of the institutional environment was made by the outstanding economist O. Williamson, according to whom “the institutional environment is the rules of the game that determine the context in which economic activity is carried out. Basic political, social and legal rules form the basis of production, exchange and distribution” (Williamson, 1985).

According to O. Kichigin, “the institutional environment determines the nature of the relationship between economic and political agents that form the institutional structure, which: firstly, unites economic units; secondly, it determines the ways of cooperation and/or competition of economic units; thirdly, it influences the formation and functioning of the main types of institutional agreements” (Kichigin, 2016).

It should be noted that in the formation of the institutional environment, the SED processes have their own characteristics, and largely depend on the tools and mechanisms used by the subjects of public relations for the construction of institutional systems. The presence of differences, both in quantitative and qualitative characteristics of these systems, as well as in the nature of interaction between the subjects of public relations, gives the right to assume that the development of socio-economic systems differs in the use of institutional potential. In the general case, the institutional potential is the potential for the development of the institutional environment, which determines alternative directions for the SED of society and the state at the micro, meso and macroeconomic levels.

At present, the scientific literature presents various approaches to the analysis of the place and role of institutional potential in the SED of social relations. For example, the institutional potential is generalized with the institutional environment, the main purpose of which is to provide conditions for the development of natural, technological, innovative, investment and other potentials. Another approach assumes the existence of institutional capacity as an independent component of the overall economic potential of SED at the international, national or regional level. The presence of different approaches allows researchers to offer various methods for assessing both the institutional potential itself, for example, regional development, and assessing the possibilities of integrated territorial development of the region. Quite often, the final result of such an assessment is a rating of regions, reflecting the level of their development in specific areas of socio-economic activity. A striking example is the annual Rating of Investment Attractiveness of Russian Regions, the evaluation methodology of which was developed by the Russian National Rating Agency (NRA).

We should agree with the opinion of L. Kuzmenko and R. Kuzmenko that “it is difficult to assess the impact of institutional potential on the development of the region. Institutional factors are essential, primarily to explain long-term growth rates.” At the same time, to analyze the level of institutional potential, they propose to use the concept of “institutional matrices”, based on the systematization of groups of indicators characterizing the institutions of private property, profit, competition, labor, and the financial market (Kuzmenko & Kuzmenko, 2017). This approach is original, but it allows only a selective approach to the assessment of institutional capacity, as it is limited by the possibility of using incomplete (imperfect) numerical indicators of statistical bases that reflect the political, economic or social sphere of activity of subjects of public relations.

It can be stated that the complexity of the analysis lies in the need to take into account the multi-vector evolution of social relations based on institutional changes, different in time and speed of their implementation. For example, changes caused by the implementation of new formal institutions by public authorities occur much faster than changes occurring due to the implementation of informal restrictions by society. At the same time, the implementation of informal institutions aimed at changing the way of life of the population is a long-term process, while the use of formal institutions, for example, when used as tools for state regulation of the economy, can be relatively short-term.

Exploring the historical, philosophical and economic contexts of social relations, G. Rodina believes that socio-economic transformation as a phenomenon is “the modern social science agenda. The problems of the emergence of new forms (alienation and redistribution of property rights) in the process of evolution of the existing world economic model are of interest” (Rodina, 2022).

According to D. Sorokin, the scientific task of studying the processes of economic transformation is to analyze the operation of formal and “informal institutions that shape the economic behavior of the subjects of the economic life of society, and on the basis of identifying the patterns of their functioning, to determine the possibility of their transformation. Since informal institutions are formed by the civilizational features of a given society, their knowledge is impossible only within the framework of economic theory. This requires the integration of social science knowledge about the nature of Russian society, an interdisciplinary approach to the problem” (Sorokin, 2019).

It should be noted that at present there is no clear (generally recognized) list of indicators for assessing institutional capacity. From the point of view of the authors, this is due to the use

of various approaches in scientific research, in which, when assessing the action of various institutions of SED, different points of view are used in understanding their essence and content. Additional difficulties in substantiating modern criteria and indicators for assessing institutional capacity include the lack of reliable information statistical bases for regional development.

In the context of the evolution of the institutional environment of social relations, there is a need to clarify the concept of "institutional potential of socio-economic development". It is important to develop new approaches to determining the structure and methods for assessing institutional capacity, as well as the specifics of its implementation at the national and regional levels. In the future, this approach will make it possible to propose mechanisms and tools for adjusting the institutions operating in society in order to increase the effectiveness of the SED institutional model.

METHODOLOGY

In accordance with the purpose and objectives of this study, its basis is the analysis of the process of socio-economic transformation "resource-potential-capital", in which the institution is a resource. In this sense, SED is the evolution of the institutional environment of social relations, in which the processes of transformation of the institutional potential turn it into institutional capital.

D. North argued that institutions are the rules of human behavior that form the limiting framework of their relationships in order to reduce the level of uncertainty of these relationships and structure everyday life: "speaking in the professional language of economists, institutions define and limit the set of alternatives that each person has" (North, 1990).

One can agree with the opinion of A. Shastitko, according to which "the unit of analysis in the institutional version of economic theory is an institution, which is the smallest unit of activity and interactions between economic agents. Such a definition makes it possible to understand the content of other concepts related to the institution: organizations, transaction costs, rules and property rights, contracts, opportunistic behavior, as well as the relationship between these categories" (Shastitko, 2002).

Revealing the general meaning of the definition of institutions, under this phenomenon as resources of SED that reduce the level of transaction costs in public relations, this study proposes to understand: 1. Regulatory documents that form the regulatory environment for SED; 2. Organizations that form it; 3. Mechanisms for the implementation of the regulatory environment.

At the same time, the institutional environment formed by institutions and institutional ties is not homogeneous and represents a dynamic (evolving) basis for building an institutional model of any society. In this sense, institutional capacity can be viewed as an interconnected system of institutions that provides:

- First, the use of property rights to material and intellectual resources created by people for the purpose of generating income;
- Secondly, the use of intangible resources in the form of relationships (social ties) between people whose activities are limited by institutional frameworks in the implementation of infrastructural links between them.

D. North suggested that “to develop an institutional model, it is necessary to study: structural characteristics of informal restrictions and formal rules; ensuring their observance, forms of their evolution. After that, by combining the results of these studies, one can present an overall institutional picture of political or economic systems” (North, 1990). The results of ongoing research on the analysis of the development of various socio-economic systems (for example, regions and industries) depending on such factors as the unique geographical location, the availability of natural and labor resources, the development of regional infrastructure, allow us to conclude not only about the level of development of the production potential of the regional economy, but also about the features of the formation of the institutional environment for the SED of the region.

In this context, the organization of state regulation based on the determination of rent-forming factors and the application of resource potential management mechanisms is of interest. Institutional capacity, in turn, will make it possible to activate the fair distribution of resources, which will contribute to the formation of "favorable" rents, which provide increased efficiency without compromising public welfare. From the position of L. Moberg, rent regulation will reveal the problems of the untapped potential of political influence to create state regulation mechanisms for the implementation of SED in the interests of society and the state (Moberg, 2015, 2018).

To increase the return on resource potential, attention should be paid to the special role and influence of labor resources on the development of industrial relations in regional development, which is directly related to such concepts as human and social capital. Such conditions correspond to modern trends, which are associated with an increase in the importance of intangible assets in ensuring the effective functioning of entities at various levels. Intellectual capital makes the main contribution to the intensive development of production,

which can bring excess profits (Dmitriev et al., 2020; Dmitriev & Zaytsev, 2022). Thus, the fact that only human labor, including its intellectual part, in the process of social relations ensures the transformation of natural resources into industrial production resources does not require separate proof. And also, the fact that only in the presence of human capital, resources can become a resource potential, and as a result of their further processing, acquire the opportunity to become a resource capital of industrial production.

Directly human capital, that is, the ability of a person to capitalize his knowledge, skills, experience in various areas of social relations, is a key resource for the SED of society and the state. In this sense, the use of human capital in the process of forming the resource base and its further transformation into resource potential and capital is the basis for the emergence of institutional potential. Innovative development ensures high production efficiency. However, at different levels of management, it is intellectual capital that determines the possibilities for creating strategic competitiveness. At the same time, the problems of identifying and evaluating intellectual capital make it difficult to determine its impact on the institutionalization of social relations. To solve this problem, it is advisable to conduct an audit of intellectual capital with an emphasis on digital data analysis (Dmitriev et al., 2022; Zaytsev et al., 2022).

If, in a narrow sense, institutional potential implies the use of human capital as human labor in production and other processes, then in a broad sense, human capital should be considered from the point of view of the formation by society of social norms and algorithms of behavior, expressed in the form of formal institutions and informal restrictions. At the same time, the effectiveness and efficiency of the process of evolution of institutional potential into institutional capital largely depends on the presence of social capital (the level of trust) in society, which ensures the construction of an effective institutional model of society and the state. This is achieved by the formation of institutional trust, which, due to the positive attitude of society towards institutions, reduces the transaction costs of their implementation (Kichigin, 2022; Ali et al., 2023). The methodological basis for determining the institutional potential through the assessment of the qualitative state of human capital is associated with the analysis of the state of the information environment, since in the context of digital immersion, many economic and social processes have made a revolutionary transition to the electronic version. Participants in social and economic relations generate information traces and form information conditions for the creation and transformation of institutions. In this context, it is of interest to consider information capital that determines institutional steps and events in the environment (Rodionov et al., 2021; Imrani & Jafarov, 2023).

The use of the digital environment for the analysis of institutional potential can become a real tool for determining the trajectories of institutional transformations and moods in the public environment, allowing you to build a range of actions to achieve the goals of SED. In the context of the revolutionary transformation of civilization into the format of a post-industrial state and network thinking, under the influence of information technologies in society, the relevance of understanding civilizational threats to humanity during the period of convergence of digitalization into everyday reality is increasing. The use of digital technologies allows for a qualitative analysis of institutional changes. At the same time, the civilizational matrix itself is shifting, which subjectifies the surrounding reality and contributes to the extrapolation of information systems to the near future of civilization in terms of the expediency of creating favorable conditions for life, improving a person in terms of increasing moral, ethical, psychological and intellectual qualities (Agumbayeva et al. ., 2019; Vlasova et al., 2021).

In the general case, the institutional potential develops depending on the conditions for the formation of the institutional environment under the influence of institutions and changes in the level of education of people who form social and human capital. Human and social capital refers to separate, specific types of resources of social relations, therefore, they require a separate study. Thus, the key point in social exchange is the achievement of harmonization or coordination of interests between subjects in relation to property rights to limited resources of SED (Kichigin, 2018).

“Property rights are understood as sanctioned behavioral relations that arise between people in connection with the existence of goods and concerning their use. These relations determine such norms of behavior regarding goods that any person must either observe in his interactions with other people, or incur costs due to their non-compliance ... The system of property rights prevailing in society is in this case the sum of economic and social relations according to about rare resources, within which individual members of society confront each other” (Kapeliushnikov, 2016). At the same time, as a result of the harmonization of interests, mechanisms for their specification and institutional protection are created, which are subsequently actively used by the subjects of SED in various areas of their activity.

We should agree with the opinion of D. Rodionov, O. Kichigin and T. Selentyeva that “to specify the right of ownership means to answer at least three interrelated questions: “who?”, “what?” and “how?” It is necessary to determine not only the subject and object of property, but also the method of endowing it. The specification of property rights, on the one hand, secures the freedom to dispose of property, on the other hand, excludes or limits the free access

of other economic agents to the available resource. Therefore, the economic value of a resource always increases with an increase in the level of specification and protection of property rights” (Rodionov et al., 2018). It stimulates economic activity, since only the owner is responsible for all the positive and negative results of his activities, therefore, when making decisions, he is interested in taking them into account as fully as possible.

From the point of view of the authors of the study, the basis for a systematic approach to assessing institutional capacity is the basic provisions of the theory of transaction costs, according to which the development and application of institutions are aimed solely at reducing transaction costs in public relations.

Exploring the economic essence of the exchange of property rights, D. Commons in 1931 introduced the concept of transaction, as the alienation and appropriation of property rights and freedoms created by society. Realizing that property rights and freedoms can move separately from material objects, J. Commons for the first time formulated the general provisions of the transactional approach in explaining the structure of the world. Considering various cases of complex markets, J. Commons classified transactions according to the functions of their participants: transaction transaction, management and rationing. In general, transaction costs are the costs of the subjects of public relations for the implementation of transactions (Coase, 2012). J. Stigler, commenting on the “Coase theorem”, suggested that “the world with zero transaction costs turns out to be as strange as the physical world without frictional forces” (Stigler, 1972). Only in conditions of perfect competition, transaction costs will tend to zero: in these conditions, the need for society to form and implement institutions will disappear.

The institutional potential will allow both increasing and decreasing the return on the resource advantages of economic entities that, in a competitive environment, implement strategies for the development of the rational use of the available resource potential. The conceptual foundations of resource potential management require detailing. In particular, to ensure regional innovation sustainability, it is required to conduct an institutional analysis of the factors of region SED, as well as take into account not only the state of interregional differentiation, especially in terms of innovation development, but also rent-generating resources in the institutional environment (Hunt & Madhavaram, 2012; Zaytsev, Talerchik, et al., 2021).

Of course, even such a generalized approach does not reflect the whole variety of institutions implemented by society and the state in a constantly evolving environment of SED

in order to reduce the costs of public relations. However, it allows clarifying the concept of "institutional potential" and approaching the justification and solution of the problem of its analysis, taking into account the possible risks and limitations of the evolving environment for the SED of society and the state.

RESULTS AND DISCUSSION

Any socio-economic, political and other socially significant phenomenon has a reason for its occurrence, as well as the boundaries of its development, the magnitude of which is determined, firstly, by the interests of the subjects that form these phenomena; secondly, by choosing a strategy for their interaction. In the general case, the reasons for the emergence of institutional potential are the desire of the subjects of public relations to ensure the evolution of the institutional environment for SED.

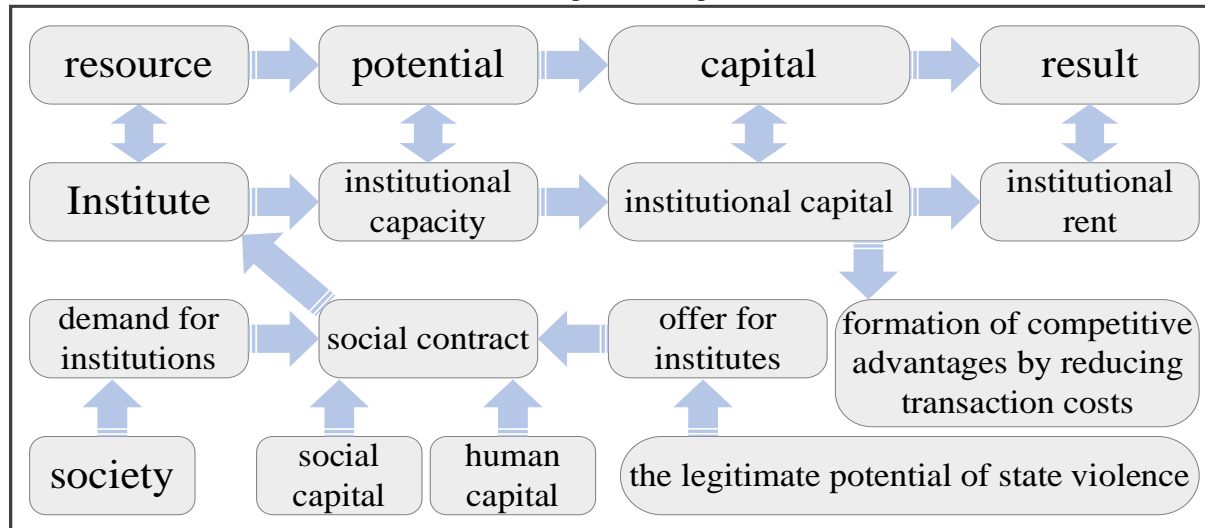
In a broad sense, this makes it possible to harmonize the levels of development of productive forces and production relations, in conditions when the results of the development of productive forces, achieved through scientific and technological progress, are significantly ahead of the results of the development of production (social) relations. In this case, public relations are proposed to be understood as sustainable forms of organizing the social life of people that arise in the process of their joint political, economic, cultural and other activities.

In a narrow sense, harmonization of interests between the subjects of SED is ensured. From the point of view of the authors of the study, the result of the harmonization of interests is the conclusion and implementation of a social contract between the subjects of SED within the framework of the institutional environment operating in society and the state regarding the use (evolutionary development) of the resource to a level that allows obtaining institutional rent. The social contract that ensures the evolutionary chain "resource-potential-capital" is inherently a socially significant good, for the production of which society uses social and human capital, and the state uses the legitimate potential of violence. Thus, society forms the demand for institutions, and the state forms the supply (Fig. 1).

In addition, the social contract is the result of harmonization or coordination of interests between subjects in relation to property rights to limited resources of SED. As a result, it is proposed to note that the boundaries of the development of institutional potential are determined by the level of its capitalization, that is, the formation of institutional capital, which is understood as the emergence of the possibility for the SED subjects to generate income through

the use of institutions united by institutional ties into the institutional environment of public relations.

Figure 1. The concept of formation and development of institutional capacity in the evolutionary chain "resource-potential-capital"



Source: Prepared by the authors (2023)

Compiled by the Authors of the Study

In this sense, the process of socio-economic transformation in the “resource-potential-capital” system, in which the institution is a resource, is provided by the process of evolutionary development of institutional potential into institutional capital. The reason for the evolutionary process in the “resource-potential-capital” system is the presence of a possible increase in the use value of the final result (or product), which in the institutional system is institutional capital, the use value of which increases along with the growth of transactions in various spheres of social relations.

Despite the fact that at present there are no methods for direct quantitative assessment of various types of transaction costs that determine the effectiveness and efficiency of institutions, the impact of institutional capital on SED can be assessed indirectly. This topic was not developed in the present study. However, in the general case, it can be argued that, without a clear quantitative measurement, institutional capital contributes to the formation of the SED institutional model of society and the state through the possibility of using institutions, the implementation of which is aimed at reducing various types of transaction costs. This determines the key role of institutional capital in social relations as a result of the development of institutional capacity. This determines the place of institutional potential in SED, as a key element in the evolutionary process of social relations.

In the context of the study (from the point of view of the evolutionary approach), it should be noted that not only institutional capital, but also institutional potential, as well as the process of its transformation, are socially significant benefits that have a use value, as well as the price of production and sale. Such a concept does not contradict the basis of modern marginalism - the theory of marginal cost, according to which "the more goods, the less the value of each of its units. The total economic value of a good is equal to its marginal utility multiplied by the quantity of the good. The resulting value is a subjective assessment of the good by one or another consumer. Considering the need to develop mechanisms and tools for assessing the value of institutional capacity as a socially significant benefit for its consumers, it is necessary to take into account the fact that the development of social relations:

- On the one hand, it occurs through the implementation of various social exchanges;
- On the other hand, it ensures the growth of their number, that is, an increase in the number of transactions and, accordingly, contributes to the growth of transaction costs.

In this sense, the emergence of new types of transaction costs requires further development of the institutional environment, that is, the adjustment of the "old" and the implementation of "new" institutions that can transform their interconnected system, taking into account the impact on the SED of external and internal factors.

From the point of view of the authors of the study, the problem area associated with institutional changes is the need to ensure the principle of complementarity (complementarity) and interchangeability of institutions in the institutional environment of public relations. For example, in the educational sphere of public relations, many institutions simultaneously operate in the form of legal acts that ensure both the implementation of the educational process and control over their implementation. In this case, changing the requirements of the legislation may simultaneously require coordination in the activities of related institutions, for example, in the structure of state authorities that ensure implementation and control in the education system.

In an institutional sense, as stated earlier, such a process is the emergence of new types of transactions and the transaction costs associated with them. In this case, the use value of institutions increases. However, in the context of the transformation of the institutional environment, the "old" institutions, whose action is aimed at reducing specific transaction costs, reduce their level of usefulness, since the restrictive framework they formed stabilized social relations and in the new conditions, they have exhausted their capabilities. In this case, the

stabilization of social relations should be understood as the absence of an increase in transaction costs in those areas of SED in which the institutions were implemented. Thus, when implementing institutions whose action is aimed at reducing transaction costs in a particular area of social relations, taking into account the growth of costs to support their performance in the context of the existing stabilization of social relations, it reduces their level of usefulness. The application of this approach makes it possible to comprehend the need to develop mechanisms for evaluating the operation of institutions as resources of social relations in the processes of development and use of institutional potential and capital.

In addition, of particular interest is the fact that SED implies not only the presence of various industrial and social infrastructure ties, but also the fact that institutions, as specific resources, form the basis for building these ties, reducing the level of organizational costs that arise in relations between subjects. social exchanges. In this sense, the key resources in the formation of institutional capacity are market (interorganizational) and intraorganizational relations realized through the development of human and social capital. From an institutional point of view, such links can be defined as organizational interaction between the SED subjects, which results in synergistic effects of various directions, the ability to use which becomes a competitive advantage. In turn, the institutional environment, having the ability to generate positive synergistic effects in the infrastructural links of public relations by reducing various types of transaction costs, ensures a further qualitative change in both resource and institutional potentials. In this sense, the institutional potential is a socially significant good, which determines the ability of institutions to ensure the functioning of a market economy by reducing transaction costs in the process of using the resource base by implementing infrastructural links between the SED subjects of society and the state.

It should be noted that the result of the capitalization of institutions due to the evolutionary transformation of institutional potential into institutional capital in the SED process of society and the state is institutional rent, "which is the ability to extract monopoly income through the use of institutions and institutional ties" (Rodionov et al., 2018). In other words, when institutional rent arises, we can say that the development of institutional potential has led to an end result that has a use value: institutional potential has become institutional capital. This determines the role of institutional capital in the SED of society and the state.

At the same time, the formation of institutional rent is possible only in the process of social relations, and is impossible in the absence of human capital and trust between people (i.e., social capital). It should be noted that this work did not aim to study the impact of

institutional rent on the SED of social relations. However, the presence of institutional rent allows us to use it as a criterion for assessing the possible boundaries of the institutional potential and the level of its current development, as well as to justify the use of institutional regulation tools in the SED processes of society and the state. This determines the relevance of clarifying the place and role of institutional potential in the SED of social relations.

CONCLUSION

The paper considers approaches to defining the essence, formation and features of the implementation of institutional potential, which made it possible to substantiate the need to clarify the concept of institutional potential, as well as its role and place in the SED process of social relations.

1. An analysis of the works of Russian and foreign authors considering the possibilities of using the resource base in various areas of economic activity allows us to speak about the existence of an economic potential for SED, which is an economic category, and a multi-level object of study, the components of which are resource and institutional potential.

In the general case, institutional potential is understood as the potential for the development of the institutional environment of social relations, which determines alternative directions for the SED of society and the state at the micro, meso and macroeconomic levels. As well as economic potential, institutional potential is a socio-economic category and a multi-level object of study, which determines the relationship between the subjects of SED. The institutional potential shows the institutional relationship between the opportunities and results of the use of the resource base by the subjects of public relations in various SED processes of society and the state.

2. The institutional potential determines the mechanisms and tools for the formation and evolution of the SED institutional system of society and the state.

The purpose of creating an institutional system is the possibility of implementing institutions whose action is aimed at reducing transaction costs in market exchanges and intra-company relations, which allows the subjects of public relations to choose a behavior strategy that provides them with institutional competitiveness. The process of SED is ensured by the construction of infrastructural links between the subjects of public relations, using in their activities both resource and institutional potential, as well as the features of their mutual influence on the institutional environment. In this sense, the institutional potential is a socially

significant good, which determines the ability of institutions to ensure the functioning of a market economy by reducing transaction costs in the process of using the resource base by implementing infrastructural links between the SED subjects of society and the state. It is noteworthy that in the process of social relations, the use value of the institutional potential as a socially significant public good, as well as the price of its production and sale, is formed.

3. The methodological feature of the work done is the study of the institutional potential in the process of socio-economic transformation in the "resource-potential-capital" system, the resource of which is the institution. It was revealed that the development of institutional potential occurs due to the implementation of institutional changes in the "resource-potential-capital" system. At the same time, the incentive for these changes is to minimize the costs of creating an effective institutional environment for public relations by society and the state. In this case, the place of institutional potential is determined by the direction of evolutionary changes in SED, the key task of which is to meet the diverse needs of society.

4. The role of institutional potential is determined by its ability to ensure positive dynamics of the SED of society and the state at various (micro, meso and macro) levels through the development of human and social capital.

At the same time, in the process of evolutionary development of institutional potential, institutional capital is formed, by which we mean the emergence of the possibility for the SED subjects to generate income through the use of institutions united by institutional ties into the institutional environment of social relations. In this sense, the role of institutional potential is determined by the result of the development of institutional capital, which is institutional rent, i.e. the ability of subjects of rental relations to extract monopoly profits due to the possibility of using institutions

5. The study of the terminological basis of the concept of "institutional potential" as a category of SED allows us to expand the methodology of exploratory and fundamental research in the field of the influence of institutions on the evolution of social relations in relation to the problems of managing the processes of development of a competitive environment. Further directions of research are:

5.1. Clarification of the concept of "institutional rent" and definition of its main types (organizational, innovative, intellectual, etc.) in relation to the problems of managing the development processes of the competitive environment of public relations.

5.2. Identification of the main subjects of rental relations and substantiation of their role in existing socio-economic relations, as well as identification of patterns in the formation of their activities.

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