

## Changing Sources of Investment of Expanded Reproduction of the Russian Economy

<sup>1</sup>Arsen A. Tatuev, <sup>2</sup>Georgiy N. Kutsuri, <sup>3</sup>Sergey A. Shanin, <sup>4</sup>Violetta V. Rokotyanskaya and  
<sup>5</sup>Svetlana V. Romanova

<sup>1</sup>Department of Economic Sciences,  
Kabardino-Balkarian State University Named after Kh.M. Berbekov Russia,  
Kabardino-Balkarian Republic, Chernyshevskogo St., 173, 360004 Nalchik, Russia

<sup>2</sup>Department of Economic Sciences,  
Financial University under the Government of the Russian Federation Russia,  
Leningradsky Avenue 49, 125993 Moscow, Russia

<sup>3</sup>Department of Economic Sciences, Plekhanov Russian University of Economics Russia,  
Stremyanny Lane 36, 117997 Moscow, Russia

<sup>4</sup>Department of Economic Sciences,  
Russian State Agrarian University Named after K.A. Timiryazev Russia,  
Timiryazevskaya Street 49, 127550 Moscow, Russia

<sup>5</sup>Department of Economic Sciences, Don State Technical University Russia,  
Gagarin Square 1, 344010 Rostov-on-Don, Russia

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**Abstract:** In modern conditions the expanded reproduction needs constant increase in investment funds which in turn determines the priority the system the role of investment in ensuring economic development. In the domestic economy in recent years, there has been a reduction in the volume of investment resources which in the future should be ensured and expanded reproduction. That is in fact, there is a formation of the economic development while reducing the investment of resources that can be used to further expanded reproduction. The natural result is a decrease in the intensity of investment processes and the slowdown in real economic growth. The significant changes in the structure of investments in fixed capital at the expense of attracted funds in recent years did not happen. Raised funds still account for only half of total investment. Moreover, in the structure of attracted funds is a significant part of budget funds and parent organizations. While funds financial institutions (Bank loans, loans from other organizations, funds from the issue of securities, share participation in construction, etc.) presented poorly. As a result, the lack of funds and unavailability of credit resources are the main factors limiting investment activity. Therefore, a high relevance is the task to search for fundamentally new source of debt financing investments in the real economy which will help to solve the problem of availability of borrowed funds for investment in nonfinancial assets, fixed assets. This source of funding may be funds from the public, since growth of assets (currency, cash and savings including real estate) is comparable to the total volume of investments in fixed capital.

**Key words:** Investment, expanded reproduction, investment financing, investment structure, own and borrowed funds, savings of the population.

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### INTRODUCTION

Now there is a need for forming of new funding mechanisms for economic growth and upgrade more and more sharply. In conditions when our country faces along with closing of many external sources of financing and reduction of prices of oil, the country leaders directly specified that it is necessary to pay more attention to

internal sources of financing, domestic savings, increase in a regulation of accumulating in economy (Medvedev, 2015).

**The analysis of investment processes in the Russian economy:** It is theoretically commonly accepted that expanded reproduction provides increase in amount of the made public product and acts as a prerequisite of

economic growth. At the same time, expanded reproduction needs fixed investment of funds of accumulating. What determines the predominating role of investments in ensuring development of economy.

In turn, investments, reflecting balance between the current consumption and accumulating of resources are subdivided into two key categories exerting different impact on parameters of social production: financial (speculative) and real (Bakhturazova, 2014). And while financial investments are connected with an investment in different financial assets oriented to extraction of speculative benefit, real investments assume financing of the real production equity. Therefore, real investments are important for expanded reproduction.

At the heart of the analysis of the investment processes providing expanded reproduction studying of dynamics of indicators of gross accumulating and a saving lies. Gross accumulating represents an investment resident units of means in fixed capital, change of inventories of material current assets and net acquisition of values in the accounting period for creation of the new income in the future by their use in production. At the same time, gross accumulating of fixed capital includes the following components: acquisition, less disposal, the new and existing fixed assets; costs for large improvements of the made tangible assets; costs for improvement of not made tangible assets; expenses in connection with a transfer of property on not made assets. In turn the gross saving represents a part of a disposable income which was not spent for final consumption of goods and services in the accounting period. Regulation of gross accumulating and saving the relation of these indicators to gross domestic product.

Change of an indicator of a regulation of gross accumulating demonstrates change of investment activity in real production sector increase or reduction of accumulating of a property, plant and equipment for production in the future. In turn, change of an indicator of a regulation of a gross saving characterizes an increment or reducing resources which can be invested in gross accumulating for the purpose of expansion of production in real production sector. As a rule, the amount of a gross saving exceeds amount of gross accumulating thanks to what the potential of an increment of the volume of investment into real production in the future remains. Therefore, the more the difference between a saving and accumulating, the is higher the potential of increase in accumulating in the future, but that and the resources which aren't participating in expanded reproduction in a current period are more considerable. Therefore, between processes of a saving and accumulating it is necessary

ensuring balance in case of which the existing resources will be most involved in expanded reproduction (Grigor'ev and Ivashchenko, 2011).

## **MATERIALS AND METHODS**

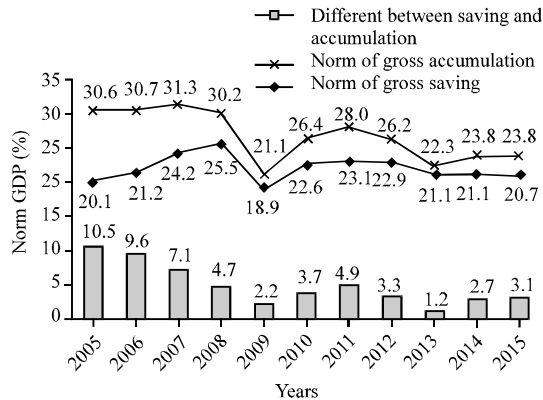
**Dynamics of norms of gross accumulating and gross saving:** In Fig. 1, the chart illustrating dynamics of processes of gross accumulating and a saving in national economy during the period from 2005-2015 is provided. For the considered period the absolute amount of gross accumulating increased from 4.3-16.8 trillion rub. a year in the basis market prices or for 41.0% in real terms (in the prices of 2005). At the same time, the real amount of gross domestic product increased by 36.5% (in the prices of 2005) or from 21.6-80.8 trillion rub. in the basis market prices. Owing to what comparable dynamics of processes of increase in gross accumulating and the gross domestic product the regulation of gross accumulating significantly didn't change and was on average in the range from 21-23% and sometimes went beyond these side-altars and reached values in 18.9-25.5%. In other words, for the considered decade the average annual amount of accumulating of a property, plant and equipment of production made about 1/5-1/4 from gross domestic product.

At the same time, dynamics of a gross saving was other. So, from 2005-2015 the gross saving in absolute expression increased from 6.6 up to 19.2 trillion rub.. But in real terms the surplus was at the level of a statistical error and constituted only 6.4%. What, against the background of a real gross domestic product growth, led to reducing a regulation of a gross saving on 6.8 points from 30.6-23.8%. This process illustrates the happened reduction of amount of resources which could be invested in gross accumulating for the purpose of expansion of production in real production sector. As a result, it is possible to observe reduction of a difference between indicators of gross saving and gross accumulation (Fig. 1). So for the considered years superiority of norm of gross saving over norm of gross accumulation was reduced from 10.5-3.1% (having reached 2.2 and 1.2% in 2009 and 2013, respectively). The event, on the one hand, can be interpreted positively reduction of a gap between volumes of gross saving and gross accumulation allows to provide fuller involvement of resources in expanded reproduction. On the other hand, it is necessary to consider that this balance was reached by reducing a regulation of a gross saving in case of an invariable regulation of gross accumulating, i.e., preserving in real terms absolute measures of a gross saving in case of

**Table 1: Investments into non-financial and financial assets during the period from 2005-2015, billion rubles\***

Distributions	2005	2010	2014	2015
Investments into non-financial assets	2945.7	6712.1	10532.9	10730.8
Including investments into fixed capital (%)	98.2	98.7	98.5	97.7
Investments into financial assets	9209.2	41274.8	78604.4	127113.6
Including long-term financial investments (%)	20.1	11.9	12.5	10.9

\*The table is constituted by the researcher on the basis of data: investments into non-financial

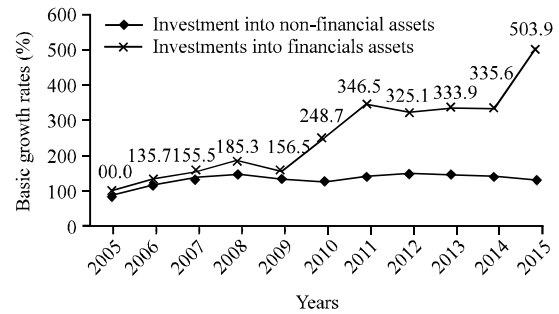


**Fig. 1: Comparison of dynamics of a regulation of gross accumulating and a regulation of a gross saving during the period from 2005-2015, in percentage to gross domestic product (the chart is calculated and made by the author on the basis of data: National accounts//Federal State Statistics Service. URL: [http://www.gks.ru/free\\_doc/new\\_site/vvp/tab37.xls](http://www.gks.ru/free_doc/new_site/vvp/tab37.xls))**

increase in indicators of gross accumulating and gross domestic product. And it demonstrates the valid reducing amount of investment resources at the expense of which expanded reproduction in the future shall be provided. That is actually, process of growth of economy when reducing investment resources which can be used for further expanded reproduction takes place. A natural result of it will be decrease in intensity of investment processes and delay of real rates of economic growth.

**Dynamics and structure of investments into non-financial and financial assets:** The further analysis of investment processes in real production sector confirms the concern stated above. For example, we will consider dynamics and structure of investments into non-financial and financial assets (Table 1 and Fig. 2).

Investments into non-financial assets include investments into not made non-financial assets and investments into fixed capital. At the same time, carry purchase costs to investments into not made non-financial assets legal entities in property of the parcels of land, objects of environmental management, contracts, lease contracts, licenses, business reputation



**Fig. 2: Change of actual level of non-financial and financial investments into the period from 2005-2015 (%) by 2005**

and business contacts. And to investments into fixed capital set of the costs directed to a construction and reconstruction of objects (which lead to increase in their original cost), acquisition of machines, the equipment, vehicles, production and economic stock, on forming of working, productive and breeding herd, planting and cultivation of long-term cultures, acquisition of intellectual property items, costs for research, developmental and technological works, etc. In turn investments into financial assets (financial investments of the organizations) include investments of the organizations in state and municipal securities, securities of other organizations, deposits to the authorized capital of other organizations granted other organizations loans, deposit deposits in credit institutions, receivables (purchased based on a right to claim concession) and other.

So, during the period from 2005-2015, the volume of investment into non-financial assets in absolute expression increased from 2.9-10.7 trillion rub. a year in the basis market prices (Table 1) that in real terms (in the prices of the basic period 2005) constituted a surplus in 33.0% (Fig. 2). At the same time, the volume of investment into financial assets increased from 9.2-127.1 trillion rub. a year in the basis market prices or more than by 5 times in real terms. What in total led to reducing a share of investments into non-financial assets in general structure of investments of legal entities from 24.2-7.8%. At the same time, the share of long-term financial investments (which are understood as the financial investments with intention of receipt of the income performed for the term of >1 year) was reduced twice from 201-10.9%.

Table 2: Structure of investments into fixed capital on financing sources during the period from 2005-2015 (%)\*

Distributions	2005	2010	2014	2015
Investments into fixed capital-everything (billion rubles)	2893.2	6625.0	10379.6	10485.0
<b>Including on financing sources</b>				
Own means	44.5	41.0	45.7	50.2
The raised funds	55.5	59.0	54.3	49.8
<b>From them</b>				
Credits of banks	8.1	9.0	10.6	8.1
Including credits of foreign banks	1.0	2.3	2.6	1.7
Borrowed funds of other organizations	5.9	6.1	6.4	6.6
Investments from abroad	-	-	0.9	1.2
Budgetary funds	20.4	19.5	17.0	18.3
<b>Including</b>				
Means of the federal budget	7.0	10.0	9.0	11.3
Means of budgets of territorial	12.3	8.2	6.5	5.7
Subjects of the federation				
Means of local budgets	-	-	1.5	1.3
Means of off-budget funds	0.5	0.3	0.2	0.3
Means of the organizations and	3.8	2.2	3.5	3.2
the population on shared-equity construction				
Including means of the population	-	1.2	2.7	2.4
Others	16.8	21.9	15.7	12.1
<b>Including</b>				
Means of superior organizations	10.6	17.5	13.2	-
Means from release of corporate bonds	0.3	0.0	0.1	-
Means from a share issue	3.1	1.1	1.1	-

\*The table is constituted By the author on the basis of data: investments into non-financial assets//federal state statistics service. URL:[http://www.gks.ru/free\\_doc/new\\_site/business/invest/Inv-if.xls](http://www.gks.ru/free_doc/new_site/business/invest/Inv-if.xls)

Therefore, if to consider that investments into non-financial assets are mainly provided by investments into fixed capital (about 98% Table 1) and their surplus (on average 2.6% per annum) isn't comparable to a surplus of financial investments (Fig. 2) then it is possible to conclude that from 2005-2015 investment processes in real production sector developed in the period only in the direction of building-up of speculative profit on financial investments. While investments for providing are more whole than expanded reproduction, on a general background, underwent stagnation.

To understand the revealed problem, we will consider the reasons limiting growth of the volumes of investment into non-financial assets. In Table 2, the data reflecting structure of investments into fixed capital on financing sources from 2005-2015 are provided. From the table it is visible that in the considered period nearly a half of all investments into fixed capital was provided at the expense of own means and other half at the expense of borrowed funds. And financing at the expense of own means in different years varied in the range from 40-50%; financing at the expense of borrowed funds, respectively from 50- 60%.

Concerning structure of the raised funds, from the table it is also possible to see that there were no essential changes but at the same time values of separate indicators significantly varied in different years. More important it is represented to pay attention to specific weight of specific sources. So, for process of investment financing in fixed

capital at the expense of borrowed funds budgetary funds and other means which general share in structure of borrowed funds for the considered years averaged 2/3 or 30-40% of the total volume of investments into fixed capital at the expense of all sources had the greatest value. At the same time in structure of budgetary funds prevalence of means from the federal budget while means from budgets of territorial subjects of the Russian Federation reduced the importance was planned. And among other means of the main component there were means of superior organizations while financial instruments bond emission and shares were used extremely seldom. Less often the credits of banks and borrowed funds of other banks occupying in structure of the raised funds 14-20 and 10-13%, respectively acted as investment financing sources in fixed capital. Even less often funds of the organizations and the population for shared-equity construction in which means of the population as a rule, prevailed acted as a source of financing.

In general, the analysis of data from Table 2 allows to say that, despite active development of institute of investments into non-financial assets, essential changes in structure of investments into fixed capital at the expense of the raised funds for the considered years didn't happen. The raised funds still constitute only a half from the total volume of investments. And in structure of the raised funds a significant part borrow budgetary

Table 3: Distribution of the organizations for assessment of the factors limiting investing activities during the period from 2005-2014, number of respondents (%)\*

Distributions	2005	2010	2014	Increase (%)
Lack of own financial resources	65	67	60	-7.7
Uncertainty of an economic country situation	18	32	34	88.9
Investment risks	25	23	30	20.0
High percent of a commercial credit	31	31	29	-6.5
Insufficient product demand	21	19	23	9.5
The difficult mechanism of receipt of the credits for implementation of investment projects	17	15	16	-5.9
Low profitability of investments into fixed capital	14	11	13	-7.1
The imperfect regulatory framework regulating	17	10	11	-35.3
Unsatisfactory condition of technical base	9	5	-7	22.2

\*The table is made by the author on the basis of data: Russian statistical year-book. 2015: statistical collection. – M.: Rosstat. – 2015. – P.594

funds and means of superior organizations. While means of financial institutions (the credits of banks, loans of other organizations, means from issue of securities, means from equity in a construction and other) are provided poorly.

**Distribution of the organizations for assessment of the factors limiting investing activities:** As a result, shortage of own means and unavailability of loan resources are the basic reasons limiting investing activities. In particular, the lack of own financial resources in 2014 was noted by 60% of respondents (Table 3). And high percent of a commercial credit 29% of respondents. And though these indicators were slightly reduced, they still remain steadily high. At the same time only insignificant number of respondents specify complexity of the mechanism of receipt of the credits for implementation of investment projects and low profitability of investments into fixed capital 16 and 13% of respondents in 2014, respectively.

Thus, there is a situation in which only the minimum quantity of producers considers investments into fixed capital unattractive (low profitability of investments). At the same time, functioning of the mechanism of attraction of loans (complexity of the mechanism of receipt of the credits) suits the most part of producers. However, here the vast majority of producers 2/3 faces shortage of own means for investment financing. And it is not only about situations in which the decision to provide financing only at the expense of own means is made. Considerable part of these of the 2/3rd there aren't enough means for loan security or its servicing (Gurvich and Prilepsky, 2016). As a result, every third producer specifies high percent of a commercial credit as the major limiting factor for implementation of investments into production expansion.

And, it is valid, in Russia one of the most expensive credits among the countries of the Group of Twenty (G20 group). So in the 2nd quarter 2016 value of a key interest rate of the Central Bank of Russian Federation made

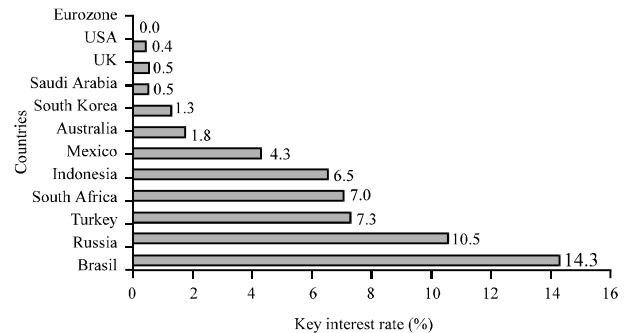


Fig. 3: Values of key interest rates of Central Banks of the countries the Group of Twenty (G20 group) in the 2nd quarter 2016, percentage per annum (the chart is constituted by the author on the basis of data: G20: Central Bank Policy Rate/International Monetary Fund. URL: <http://data.imf.org/?sk=5477AD05460D-4C91-9690-11E99B1ED935>)

10.5% per annum (Fig. 3). While among the countries with developed economy from the considered group value of a key interest rate was in the range from 0-2% per annum: in the countries of the Eurozone 0,0%; in the USA, Great Britain and Saudi Arabia 0.4-0.5%; in South Korea and Australia 1.3 and 1.8%, respectively. Even in comparison with emerging economies from the Group of Twenty in Russia one of the highest key interest rates. So, in Mexico value of a key interest rate of the Central Bank made 4.3% per annum in Indonesia, South Africa and Turkey 6.5-7.3%. And only in Brazil value of a key interest rate of the Central Bank was above, than in Russia, 14.3% per annum.

And the extent of the key interest rate of Central Bank (which is a minimum interest rate on which Central Bank issues the credits to commercial banks) takes a key position not only in determination of final cost of commercial credits but also other forms of attraction of borrowed funds for financing of reproduction (Vedev *et al.*, 2010). Thus with confidence it is possible to conclude that in Russia one of the highest

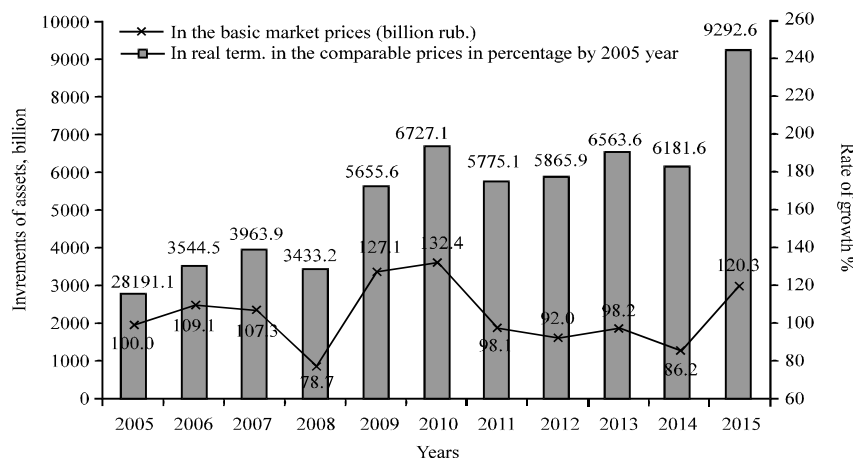


Fig. 4: Dynamics of increments of assets (currency, cash and savings, including the real estate) the populations during the period from 2005-2015 (the chart is calculated and constituted by the author on the basis of data: level of living//Federal State Statistics Service. URL: [http://www.gks.ru/free\\_doc/new\\_site/population/urov/urov\\_14g.xls](http://www.gks.ru/free_doc/new_site/population/urov/urov_14g.xls); Nationalaccounts//FederalStateStatisticsService. URL: [http://www.gks.ru/free\\_doc/new\\_site/vvp/kv/tab9.htm](http://www.gks.ru/free_doc/new_site/vvp/kv/tab9.htm))

reproduction (Vedev *et al.*, 2010). Thus with confidence it is possible to conclude that in Russia one of the highest costs of attraction of borrowed funds. And it affects development of real production sector adversely. Since, in the conditions of the high cost of loan financing the investment demand is displaced towards highly profitable projects. However, investments into expanded reproduction in real sector owing to a number of the natural reasons (a long payback period, entrepreneurial risks and so forth) have smaller profitability, than financial speculation with securities of the operating companies (Ulyukaev, 2016). Therefore, high relevance is acquired by a task on search of essentially new source of loan investment financing in real economy which use will help to solve a problem of availability of borrowed funds to implementation of investments in non-financial assets, fixed capital.

Means of the population can act as such source of financing. So, the increments of assets (currencies, cash and savings, including the real estate) the populations in 2015 constituted 9.3 trillion rub. (Fig. 4). Same year the total volume of investments into fixed capital was analogous practically and constituted 10.5 trillion rub.

And was only a half of these financed at the expense of borrowed funds. Besides, the annual increments of assets of the population are rather steady. So, during the period from 2005-2015 the amount of annual increments of assets (currency, cash and savings, including the real estate) the populations increased from 2.8-9.3 trillion rub. in the basis market prices. In real expression growth rates of assets of the population were in the range from 80-120% to the level of the basic period 2005.

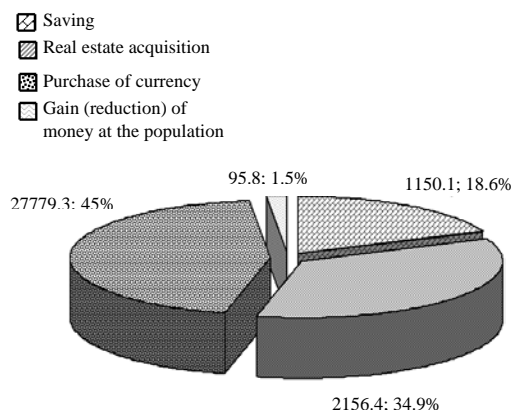


Fig. 5: Amount and structure of increments of assets (currency, cash and savings, including the real estate) the populations in 2014, billion rubles. (The chart is calculated and constituted by the author on the basis of data: level of living//Federal State Statistics service. URL: [http://www.gks.ru/free\\_doc/new\\_site/population/urov/urov\\_14g.xls](http://www.gks.ru/free_doc/new_site/population/urov/urov_14g.xls); Russian statistical year-book. 2015: statistical collection. M.: Rosstat. 2015. P.165)

Proceeding from the chart provided in Fig. 5, the main part of increments of assets of the population in 2014 was provided by purchase of currency 2.8 trillion rub. or 45.0% of the total volume of increments of assets in a year. 2.2 trillion more rub. or 34.9%, real estate acquisition. The 1.2 trillion rub. or 18.6% were provided by savings (mainly, deposits in commercial banks). Cash on hands at the population 0.1 trillion rub. or 1.5%. At the same time,

Table 4: The relation of an asset cost of open-end investment funds to the size of gross domestic product on the largest economies of the world in 2011\*

Countries	Bln. dollars of the USA (%)		
	Gross internal product	Net asset value	The ratio of the value of net assetsto gross domestic product
USA	17947.0	17752.4	98.9
China	10866.4	1263.1	11.6
Japan	4123.3	1328.6	32.2
Germany	3355.8	1799.8	53.6
UK	2848.8	1578.4	55.4
France	2421.7	1832.1	75.7
India	2073.5	168.2	8.1
Russia	2031.8	3.1	0.2
Italy	1814.8	207.9	11.5
Brazil	1774.7	743.5	41.9

\*The table is calculated and made by the author on the basis of data: 2016 Investment Company Fact Book // Investment Company Institute. URL:[https://www.ici.org/pdf/2016\\_factbook.pdf](https://www.ici.org/pdf/2016_factbook.pdf); world bank national accounts data//The World Bank. URL:<http://data.worldbank.org/indicator/NY.GDP.MKTP.CD?view=chart>

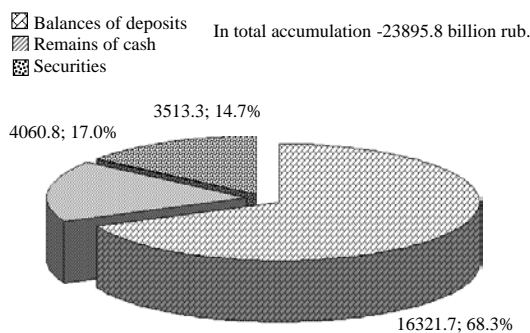


Fig. 6: Amount and structure of money savings (remaining balance of deposits, a remaining balance of cash and securities without deposits on currency accounts and a cash liquidity in foreign currency) the populations as of January 1, 2016, billion rubles. (the chart is calculated and constituted by the author on the basis of data: Level of living//Federal State Statistics Service. URL:[http://www.gks.ru/free\\_doc/new\\_site/population/urov/doc3-1-2.htm](http://www.gks.ru/free_doc/new_site/population/urov/doc3-1-2.htm))

the structure of forming of assets from 2005-2015 practically didn't change. The currency share in the considered period was always high, especially in recession years when there was a collapse of the national exchange rate. After growth of a share of currency also the share of savings with simultaneous reducing a share of the real estate increased.

The total volume of accumulatings of the population remaining balance of deposits, a remaining balance of cash and securities without deposits on currency accounts and a cash liquidity in foreign currencies as of the beginning of 2016 was estimated at 23.9 trillion rub. (Fig. 6). From them 16.3 trillion rub., 68.3% were provided by a remaining balance on deposits. The 4.1 trillion more rub., 17.0%, balances in cash on hands at the population, and 3.5 trillion rub., 14.7%, securities.

All this in total represents attraction of assets of the population as rather effective solution of the task set earlier search of essentially new source of loan investment financing to expanded reproduction. However, implementation of this decision in practice faces a problem of poor development of the corresponding institutional environment (Slatvitskaya *et al.*, 2016; Ulyukaev, 2016).

In particular, in domestic economy the market of collective investments is very poorly developed. So, information on the relation of an asset cost of open-end investment funds to the size of gross domestic product on the largest economies of the world is provided in Table 4. Data are submitted for 2011 but the situation so far essentially hasn't changed. From the table it is visible that the relation of the Cost of Net Assets (CNA) of open-end investment funds to the size of the Gross Domestic Product (GDP) in Russia made 0.2% the lowest indicator among the presented countries. At the same time, this indicator was in the USA at the level of 98.9% in 500 times more. In Japan, Germany, Great Britain and France 32.2-75.5%, respectively. Even in India, Italy and China the relation of SchA of open-end investment funds to the size gross internal to a product made 8.1-11.6%, respectively. It at 40-60 times more than in Russia. And it should be noted that it is about comparison of relative indicators. And in the absolute relation lag of Russia on the level of development of this institute is even more. So, SchA of open-end investment funds in domestic economy in 2011 made 3.1 bln. dollars of the USA. And in the USA almost in 6000 times more 17752.4 bln. dollars.

Poor development of the domestic market of collective investments can't be a consequence of low savings activity of the population. So, according to survey conducted by the National agency of the financial researches "NAFI", savings are absent only at a third of the population 29% of respondents in 2015 (Table 5). And in comparison with 2009, the share of such

Table 5: Assessment by respondents of changes of their accumulation, respondents (%)\*

Distributions	2009	2015
Savings both weren't and isn't present	39	29
Savings have increased	9	6
Were left practically without changes	33	36
Savings have decreased	15	26
I find it difficult to answer	4	4

\*The table is made by the author on the basis of data: Russians about savings//the National agency of financial researches "NAFT". URL:<http://nacfin.ru/rossiyane-o-sberezheniyax/>

Table 6: Assessment by respondents of the current time for implementation of savings, respondents (%)\*

Distribution	2005	2010	2016
Good	9	17	11
Not good but also not bad	33	36	42
Bad	48	32	35
I find it difficult to answer	9	15	12

\*The table is made by the author on the basis of data: For savings not time//the National agency of financial researches "NAFT". URL: <http://nacfin.ru/dlya-sberezhenij-ne-vremya/>

Table 7: Trust of respondents to the main financial institutions, respondents (%)\*

Distribution	2012	2013	2014	2015	2016
Level of credibility to banks	64	78	74	59	67
Level of credibility to insurance companies	35	41	38	34	40
Level of credibility to non-state pension funds	19	19	19	22	24
Level of credibility to investment companies	17	19	19	16	18
Level of credibility to the microfinancial organizations	14	13	11	11	8

\*The table is constituted by the author on the basis of data: Banks – leaders of trust among financial institutions//the National agency of financial studies "NAFT". URL:<http://nacfin.ru/banki-lidery-doveriya-sredi-finansovykh-institutov/>

respondents was reduced by 10 items from 39%, i.e., potentially, 2/3 population possess resources which can be used for financing of investments into expanded reproduction. At the same time, despite a difficult economic situation, 36% of respondents (more than a half of number of those who have savings) have noted that their savings in 2015 were left without changes. At 6% of respondents of saving in 2015 have increased. And 26% of respondents have noted that their savings have decreased. And apparently from Table 5 that part of respondents which in 2009 had no savings at all has so answered.

At the same time, during the period from 2005-2016, assessment by respondents of a situation for implementation of savings improved (Table 6). So, if in 2009 only 9% of respondents positively assessed a situation in economy for implementation of savings then by 2010 the share of such respondents was doubled 17%. However by 2016 the number of such respondents was a little reduced. But at the same time the number of respondents who neutrally assessed a situation for

implementation of savings from 33% in 2005 to 42% in 2016 increased. And also the number of respondents who gave a negative assessment to the developed economic conditions from 48-35% was significantly reduced.

Thus, the analysis of information on accumulations of the population and their assessment of an economic situation allows to characterize savings activity of the population positively. Therefore, the problem of market development of collective investments consists in another. In particular key financial institutions (Table 7) should note low level of credibility of the population. So, trusts banks nearly 60-75% of the population. At the same time to non-state pension funds and investment companies trusts structural elements of the market of collective investments only 20-25% of the population. And during the period from 2012-2016 the level of credibility to these financial institutions from the population practically didn't change.

It demonstrates availability of the system problems which are slowing down development of the domestic market of collective investments and at the same time and process of involvement of savings of the population in expanded reproduction. Development of the corresponding institutional mechanism will allow to solve these problems. At the same time the attention shall be paid to a question of ensuring availability to a general population of the direct investments providing direct expansion of the production capabilities in real production sector and which aren't participating in speculative financial transactions (Mogilat, 2017).

## CONCLUSION

However, it is necessary to consider that direct investments are connected with substantial risks and in many countries are artificially limited for nonprofessional investors. The main risks proceed from need of carrying out the careful analysis of investment documentation and control over financing process that requires certain resources. In this connection practice of implementation of direct investments by means of specialized private equity funds was widely adopted. The main benefit of these institutional elements is implementation of expensive control of activities of management of the companies in which investments for the purpose of protection of interests of investors and extraction of the commercial income were made. At the same time, the private equity industry is among enough largest private and institutional investors closed and drawing attention generally now. In this connection, attraction in an industry of means of a general population requires a certain optimization.



Therefore, considering all challenges of new economic reality, it is necessary to create such funding mechanisms for economic growth and upgrade which are directly oriented to effective attraction of savings of the population as most important internal source of investments.

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