

I. Rozmainsky,

*National Research University "Higher School of Economics"
Smolny College at the Saint Petersburg State University***HOMO POST-SOVIETICUS: AN ATTEMPT OF ANALYSIS ON THE BASE
OF POST KEYNESIAN AND OLD INSTITUTIONALIST APPROACHES**

Introduction. The thesis that the institutions of the post-Soviet Russian economy do not correspond to the institutions of a "normal" market economy has long been commonplace. Among the various explanations of such a "discrepancy", in our opinion, so far not enough attention has been paid to the analysis of the main stereotypes and norms of the economic behavior of the "post-Soviet Russians"¹. This work aims to fill this gap.

The methodological basis of the research is the various elements of Old Institutionalism and Post Keynesian Economics (branch of Keynesian "tree" very close to Old Institutionalism).

The specificity of the approach proposed in the paper is that those characteristics of economic behavior that are interpreted as constants in neoclassical theory (and in mainstream economics, in general) are treated as changing variables, and such variability requires institutional analysis. These constants, in our opinion, include the following characteristics of economic behavior.

A) *Full rationality.* In the neoclassical theory, it is usually assumed that in the process of decision-making, economic agents consider all benefits and costs of each of the possible choices. Thus, they fully take into account the existing constraints and opportunities. As a result, agents choose the optimal solution. That is why complete rationality means optimization. All modern mainstream economic models are based on this assumption. Here the "constant" is the fullness of rationality, its highest degree: all characteristics of all possible choices are taken into account (see for more details Avtonomov, 1998; 2017).

The concept of bounded rationality was a slight departure from this premise. This concept was developed within the framework of Old Institutionalism and Post Keynesian economics (Rutherford, 1995; Lavoie, 1993), but it was introduced by O. Williamson (1975) in the mid-1970s into the framework of mainstream economics². The point is that the counting and cognitive abilities of people are limited, so they cannot take into account all constraints and opportunities during the decision-making process. We will discuss it below.

B) *A simple adherence to self-interest.* In the neoclassical theory, it is usually assumed that each agent pursues his personal interest (as an "egoist"), but does

not violate the rights and interests of others through the violation of legal and moral norms. A departure from this constant is the concept of opportunism proposed by O. Williamson (1975) – and developed by us (it will be discussed in the relevant section).

The following discussion focuses on constants, from which neoclassicists (according to our opinion) have never retreated.

C) *Normal estimate of the future time.* In the neoclassical theory, it is usually assumed that each agent values the present time more than the future, which is expressed in the positive rate of time preferences. However, at the same time, economic events (flows of money, goods, resources, assets) of the future time still have value for it. Both of these prerequisites are embodied in principle, according to which the agent discounts future variables at a positive and constant rate of discount.

D) *Independence of preferences from restrictions.* In the neoclassical theory it is usually assumed that the preferences of each agent are formed by him independently and do not depend on any restrictions, both financial and social (Avtonomov, 1998. S. 126 – 130; 139 – 140). The simplest example is the consumer behavior model, in which the indifference curves and the budget constraint line are determined by completely different factors.

E) *Autonomy of expectations.* The modern neoclassical theory uses the hypothesis of rational expectations. According to this hypothesis, each agent forms its own expectations, independently collecting, processing and using all available information (Avtonomov, 1998. S. 162 – 163). This implies, in particular, that the expectations of each agent do not depend on the expectations of other agents.

F) *Personal responsibility.* In modern neoclassical theory, it is assumed that each agent seeks to fulfil their obligations to other agents.

In our opinion, it is useful to combine the last three constants with the help of the term *behavioral independence* or *behavioral autonomy*. In other words, the agent demonstrates *behavioral autonomy*, if his or her preferences do not depend on restrictions, expectations are formed autonomously, and he or she shows personal

¹ We apply concept of "Homo Post-Soveticus" only to the Post-Soviet Russians, but not to the Ukrainians, the Kazakhs, the Lithuanians etc.

² According to mainstream economics bounded rationality is consistent with maximization; heterodox economists believe that people characterized by bounded rationality do not optimize.

responsibility in fulfilling his obligations. The relevant section will discuss it in more detail.

It is these characteristics that form the modern neoclassical interpretation of the *economic man* – *Homo Economicus*. We believe that none of the above characteristics is applicable for the correct interpretation of the economic behavior of "post-Soviet Russians"¹. It seems to us that such a description can be given by rejecting these assumptions. Such a refusal just means we will treat these described constants of economic behavior as the changing variables (regarding constant and variable rationality see Avtonomov, 2017).

Lowered Rationality. People behave fully rationally only in neoclassical economic theory. In heterodox theories, as in real life, rationality is often bounded. The low degree of rationality is interpreted by us (following H. Leibenstein, 1976) as a low propensity to "calculate" (possible benefits and costs of decision-making). "An absence of tendency toward prudence" may be due either to reasons that impede such calculations, or to reasons that make them unnecessary (first of all, through breaking the link between efforts and results).

To the first group of causes, we include external informational constraints. We imply situations of lack of information (uncertainty of the future), or its extensiveness, or its complexity (see in details Hodgson, 1997). To the second group of causes, we attribute factors due to the specifics of previous economic systems that existed in a given country, as well as various non-economic factors, in particular, of a geographical and cultural nature. It should be borne in mind that all these factors can interact with each other. Consider first the role of external informational constraints.

Generally speaking, the "transitivity" of any economy indicates the variability of its institutional environment. It is important because the Post-Soviet Russian economy can be treated as "transitional" or "post-transitional" system. Institutions of the former economic system are being destroyed, and their place is taken by institutions of the new system. So, the economy in transition is system with a changing institutional environment. How does the changing institutional environment affect the "external informational constraints" mentioned? The answer is obvious - negatively, in the sense that abrupt institutional changes increase both the uncertainty of the future and the complexity of information.

Firstly, drastic changes in the institutional environment make it difficult for economic agents to predict both the actions and reactions of other agents and the future economic environment in general. In short, the degree of uncertainty of the future becomes higher in the "transitional" conditions, and begins to decline only

when the institutions of the type of economic system to which this economy "moves" have been largely formed. In principle, the allegations of a sharp increase in the degree of uncertainty of the future in the Post-Soviet Russian economy have long become commonplace and do not need any evidence. Here, however, the fact that such an increase acted as a serious barrier to rationality of economic agents in the 1990s is important.

Secondly, during the transition to the economic system of a new type, economic agents have to deal with such information that they have never dealt with before. A vivid example is the emergence of stock markets in a transitional economy. The behavior of people in such markets in the early years of the "transition" could not be rational, as economic agents were faced with the completely new information for themselves, because there were no such markets in the planned economy. An analysis of the balance of issuing companies, understanding the links between the macroeconomic situation and the situation in the stock market and its segments – such things went beyond the competence of stock market participants in economies that started a "transition". Therefore, the collapse of these markets in Russia, Albania and some other countries with a "transitional economy" was not accidental (Bezemer, 2001). Another example of increasing the degree of "complexity of information" is consumer goods markets. For decades, Russian consumers have been living in a shortage of many basic necessities, and then suddenly they encounter dozens and hundreds (if not thousands) of previously unknown varieties of food, clothing, shoes, household appliances, etc. It is clear that this is a case of informational complexity (as well as its extensiveness). Making completely rational decisions in such situations proves impossible (Hodgson, 1997).

In general, the Russian transitional economy was characterized, at least in the 1990s, by very high degrees of complexity (as well as extensiveness) of information and uncertainty of the future, which severely constrained the rationality of the behavior of economic agents. In the 2000-2010s, these factors largely retained their strength. For example, the degree of complexity of information has continued and continues to rise, largely due to the very rapid development of the sectors related to information and communication. Some young people may not keep up with these changes, and their skills are insufficient to collect and process the data necessary for rational decision-making.

Among other factors leading to the uselessness of optimization, first of all, the influence of the economic system of planned socialism should be highlighted. The Soviet power, through a system of centrally planned

¹ Generally speaking, these characteristics are hardly applicable for the correct interpretation of the actual behavior of actually existing agents in Western countries. However, we believe that, for a number of reasons discussed below, the behavior of the "post-Soviet Russians" differs from the neoclassical model "Homo Economicus" in a more degree. In any case, the analysis proposed in the paper is aimed at forming a methodological basis for creating a "theoretical model of man", that is an alternative to the model developed in the framework of neoclassical approach.

economy, seriously discouraged a penchant for prudence and personal economic independence. On the one hand, it guaranteed a certain minimum set of benefits to the Soviet person regardless of his efforts (and the enterprises were generally under soft budget constraints); on the other hand, it did not allow him or her to increase her personal material well-being above a certain level. Such state paternalism instilled dependency attitudes among the majority of the Soviet population and made prudent behavior meaningless. Thus, perhaps, the Soviet power managed to create a "new socialist man" (Kregel, 1995), "Homo Sovieticus", and more so than the governments of Eastern European countries, where the system of the planned economy, which adversely affects the degree of rationality, existed almost half as much.

Finally, among other similar reasons, a low propensity to "calculate" can be attributed to the geographical environment: in the past, frequent crop failures in rural areas also led to a gap between efforts and results. However, as urbanization proceeded, this factor lost its significance, and the low degree of rationality of Homo Post-Soveticus is hardly connected with it.

Opportunism. Opportunism was defined by O. Williamson as "self-interest seeking with guile" (Williamson, 1975. P. 55), that is, as an excessive degree of adherence to personal interest. This interpretation contrasts opportunism with "a simple adherence to self-interest." We have already written about it above, and O. Williamson defines him as such behavior in which an economic agent seeks personal gain without impairing the rights of other agents, but without focusing on their interests. It is this characteristic of human behavior that was tacitly assumed in almost all economic theory (not only neoclassical one).

In our opinion, it is important that the degree of adherence to personal interest, as well as the degree of rationality, can be a variable quantity. The degree of opportunism itself can change (although O. Williamson and his followers do not write about this).

We believe that the degree of opportunism is determined by institutional factors, and, above all, by that group of these factors which is related to the behavior of the state. We mean, firstly, how much the state performs its main institutional function related to the protection of contracts, and, secondly, what kind of social ideology it forms (or has already formed).

If the state effectively protects contracts, punishing their violators, that it forms a social ideology that encourages honest, constructive work; if it discourages incentives to "use guile" and favors "hard work", then the degree of opportunism will be low. Agents will have neither incentives nor the ability to "overly pursue their self-interest." Unfortunately, in post-Soviet Russia everything was different. We argue that the post-Soviet Russian state was characterized by *institutional inade-*

quacy, that is, by the inability or unwillingness to perform its basic institutional functions, and, above all, to ensure the smooth operation of the contracting system.

Firstly, the post-Soviet Russian state extremely poorly defends contracts. To a large extent, this is a consequence of the underdevelopment of the judicial legal system and (typical for Russia) dominance of the executive power over other branches of power. For example, such phenomena as the absence in laws of the definition of mechanisms for their implementation, the non-enforceability of laws, an ambiguity of the formulations contained in their texts, the incompatibility of different laws with each other and "legal void" (such as the presence in one law of reference to another law which is absent) represented a common place in the 1990s and often occur in the 2000-2010s. Moreover, the Russian state often violated and violates its own obligations regarding a protection of property rights and contracts. The most striking recent example is famous *Night of the Long Scoops* – mass demolition of kiosk-like structures in Moscow in 2016 February.¹ The phrase of Moscow's major Sergei Sobyenin about the attempts to recover losses "one cannot hide behind property papers" – together with his subsequent success at 2018 elections – is the direct proof of the Russian government's *institutional inadequacy*.

Secondly, the post-Soviet Russian state contributed to the formation of a social ideology that stimulates opportunistic behavior. To understand this, you must firstly make relevant definition. By social ideology, we understand the system of social goals and preferences, which largely influences the goals and preferences of individuals. The very same social ideology is in complex relations of mutual dependence with the informal rules of the game and has a huge impact on human behavior, ranging from the degree of adherence to self-interest and ending with macroeconomic decisions (such as the propensity to save).

In economic history, as an illustration of the economic role of social ideology, first of all, we can distinguish the period of development of capitalism in the XVII-XIX centuries in a number of Protestant countries – first of all in the USA and Switzerland – where the ethics of extreme Protestant sects ("Puritan ethics") dominated. The essence of this ethic was the ideology of "worldly asceticism": a combination of maximum efforts in the production sector (huge working efforts in all forms, including entrepreneurship, rapid accumulation of capital) and severe restrictions in the consumer sphere (relatively small amounts of consumption and a small amount of time spent on leisure). At the same time, this ethics stimulated honest behavior in economic life and maximum responsibility while observing contractual obligations. Thus, the Puritan ethics provided a very large incentive to work, entrepreneurship, savings

¹ A business lobby estimates the damages at around 22 billion roubles, see *Night of the Long Scoops* (2018).

and investments, which had a positive impact on economic growth, in particular, and on the emergence of Western capitalism as an effective economic system, in general.

Another example of the powerful influence of social ideology on economic behavior is communist ideology in the USSR and some other totalitarian states of the twentieth century. There is no doubt that one of the reasons for the rapid economic development of the USSR in the 1920s and 1950s – along with the most brutal methods of state coercion and the abundance of resources – was Stalin's ideology which regarded work as a "matter of honor, valor and heroism"¹. Thus, the Soviet economy in the specified period of time was distinguished by a very high work / leisure ratio and the absence of aspects of "shirking," which, of course, stimulated economic development. On the other hand, the slowdown in the 1970s and 1980s was to a certain extent caused by the implicit penetration into the Soviet ideology of motives of dependency and avoidance of "hard-working activity" – this was embodied in the well-known maxim: "They pretend that we are paid for pretend to be working."

In our opinion, the dramatic events that took place in the 1990s in the Post-Soviet Russia economy can also be largely explained by the peculiarities of group behavior associated with social ideology. The fact is that at the turn of the 1980-1990s, during the collapse of the USSR and the establishment of Russia as a country with a market economy, a radical change in social ideology took place. Communist values were sharply "dismantled."

There was a huge ideological vacuum. It quickly began to fill with aggressive propaganda in the state media of "bourgeois values", or rather, with propaganda of quick, immediate enrichment at any cost, consumption of expensive, prestigious goods and, in general, "beautiful life". The new social ideology, the ideology of the "luxury life", which was actively implemented through all media, had a powerful influence on the goals and preferences of the majority of economic agents of the Post-Soviet Russian economy. The most common consequence of planting such a social ideology was the general disregard for honest creative work. "Heroes of the day" were prostitutes, financial speculators, or simply notorious bandits. Those who did not directly become a "criminal element" received great incentives for opportunistic behavior. In the 2000-2010s many bandits and frauds became the part of the State bureaucracy, and the problems of opportunistic behavior has been deepened.

Investor Myopia. As a rule, when making a choice, people try – one way or another – to take into account the consequences of their decisions not only in the very near future, but also in the distant one. In this case, the closer the period of receipt of money (or delivery of goods), the better. This aspect reflects, as noted

above, a positive rate of time preferences, embodied in the "subjective discount rate", as well as a positive interest rate. All this means that the more distant in time flows of money or goods are discounted, taking into account the "increase" of the same discount rate (interest rate). It reflects, as we have already written, a "normal estimate of the future time". It is a consequence from the prerequisite of a normal estimate of the future time that the vast majority of economic models, and not only those related to the mainstream economics, proceed.

However, in a situation of higher uncertainty, for example, due to the institutional inadequacy of the state or a sharp transformation of the economic system, an estimate of the future will be distorted. Revenues of highly distant future periods will be even less preferable for people than in the "ordinary situation". Then people will discount such income at an increasing discount rate, which means a short-term temporary orientation or just *short-termism* (Dickerson et al, 1995). In other words, each subsequent period will be discounted at a higher discount rate than the previous one.

An even greater degree of uncertainty can distort an estimate of the future even more, leading to *investor myopia*. Investor myopia is an exception from consideration of material and cash flows for certain future periods, which should occur later than a certain threshold point in time (Bellais, 2004; Juniper, 2000; Rozmainsky, 2015). In other words, investor myopia is discounting future variables at an infinite discount rate, starting from a certain threshold point. The described phenomenon is quite natural in "abnormal" situations such as the lack of protection of forward contracts, inconsistency of the legislative base of the economy or high socio-political instability (it is clear that all of them are related to the above-mentioned institutional inadequacy of the state).

It should be clear that investor myopia inevitably gives rise to and / or intensifies the decline in investment, because it means a very short time range for making decisions. After all, in fact, those investments in fixed capital (and other assets) that can generate income only after a long time period, are out of consideration if this period of time comes after a certain threshold point in time.

Thus, the consequences of investor myopia are obvious: people exposed to this "disease" refuse to invest with a long payback period. There is no accumulation of many important types of physical and human capital, technical development, and diffusion of innovations. *An economic system with an excessively low estimate of the future time is doomed to stagnation or, at best, to low growth rates.*

Investor myopia can be quite easily generated (by the already mentioned institutional inadequacy of the state, which generates a high degree of uncertainty of the future), but it is difficult to overcome. The fact is that it is deeply rooted in the psychology and behavior of

¹ But, nevertheless, we treat the Stalin's regime as criminal and flagitious!

people. There are many examples of this, and perhaps the most convincing of them is the economic behavior of Russians in the post-Soviet period. It was investor myopia that was one of the most important factors that triggered fixed capital investment collapse during the 1990s in post-Soviet Russia. It is also one of the most important factors that led to the fact that the average age of equipment in the domestic economy increased from 10.8 years in 1990 to 21 years in 2004 (beyond 2004 this statistics became unavailable). Unfortunately, the process of technological degradation continues in the 2000-2010s.

In general, a low degree of rationality, (strong) opportunism and investor myopia can be interpreted as interrelated "links of one chain", especially since investor myopia can be viewed as a special case of a low "propensity to calculate", as well as a specific reaction to opportunism. Low "propensity to calculate" (as well as, to a certain extent, investor myopia), in turn, can be both a cause and a consequence of *behavioral dependency* discussed in the following section.

Behavioral Dependency. In order to understand what behavioral dependency is, it is necessary again to look in more detail at the opposite of this characteristic – behavioral independence or behavioral autonomy. The absence of this term in the mainstream economics is explained by the fact that this property is taken in it as a "plain truth". In other words, those agents who are considered in neoclassical theories and concepts of other scientific traditions that fit into the mainstream (new Keynesianism, new institutionalism, etc.) are characterized by behavioral autonomy, that is, personal independence in shaping preferences and expectations, as well as in the fulfillment of its obligations. More specifically, the agent is behaviorally independent if the following conditions are satisfied.

Firstly, *his or her preferences are formed independently of the existing restrictions, both financial (budgetary) and "social/class"*. "Neoclassical agent" does not suffer from "green grape syndrome". He or she does not cut back on his or her needs just because he or she earns little, or because society (class) has inspired him or her that these needs are "inadequate." Although "the phenomenon of reduced needs due to reduced opportunities to meet them has been described by a number of researchers." (Avtonomov, 1998. S. 127). We emphasize that in the number of restrictions we include not only (and maybe not even so much) prices and income, but also those stereotypes and norms that are imposed on an individual by the society or class to which he or she belongs. We refer to stereotypes and norms in relation to consumption, savings, portfolio choice, labor supply, etc. The representative agent described by mainstream economics has stable preferences independent of such restrictions. His or her preferences do not depend not only on financial receipts (and payments), but, which is, in our opinion, more important, on society.

It should also be noted that the independence of preferences from (financial and social/class) restrictions is something broader than the absence of "external impacts on utility" described in the famous article by H. Leibenstein (1950). We mean the bandwagon effect, the snob effect and Veblen effect. The fact is that such external impacts on utility refer to the so-called "non-functional demand". By this term, economists imply the demand that is not directly determined by the quality of the product. If there are external influences on the utility, the agent buys the product because it is being bought (or not bought) by other agents, or because the product has a higher price (signaling "prestige") than other products.

The existence of such external influences, of course, creates difficulties in the transition from individual to market demand curves (and in general does not correspond to the "standard" neoclassical approach), but it is by no means the main factor in the dependence of preferences on constraints. Such dependence means that the agent begins to perceive the quality of the goods differently under the influence of restrictions, and then his "functional demand", that is, the demand due to these qualities, changes.

Secondly, agent's expectations are also formed by him or her independently, or, in other words, autonomously. We mean that *these expectations are based on information received and processed by him or her personally, and not on following the rumors and conjectures of other agents*. Autonomy of expectations is compatible not only with the rational expectations hypothesis mentioned above, but also with the equally well-known adaptive expectations hypothesis, which is still sometimes used in neoclassical theory. But, it is incompatible with the theory of conventional expectations, developed by J. M. Keynes (1937). In other words, the independence of expectations means that the agent, while forming them, does not focus on the average opinion. He or she does not use it as a substitute for independently collected and processed information.

Thirdly, *in fulfilling their obligations, the agent is characterized by personal responsibility*. He or she does not fulfill his or her obligations only if it brings him or her certain benefits. Generally speaking, personal responsibility is closely interrelated with rationality of behavior. We refer to the fact that the propensity to calculate costs and benefits is both a cause and a consequence of the agent's personal commitment to his or her partners. It is unlikely that he or she will be able to fulfill these obligations flawlessly if he or she does not behave rationally. At the same time, rational behavior contributes to personal responsibility (of course, in conditions of a low degree of opportunism). In a broader sense, "high degree of personal responsibility" means the tendency of an agent to bear the burden of personal obligations to other agents.

Thus, as we have already written, *behavioral autonomy means independence of preferences from constraints, autonomy of expectations and personal responsibility*. All these aspects are admitted as an obvious truth in mainstream economics, and first of all, in the framework of the neoclassical approach. "An economic person is characterized by the relative immutability of his preferences, the way environmental information is being processed, and the way expectations are formed." (Avtonomov, 1998. S. 32). However, when analyzing the behavior characteristics of "Homo Post-Soveticus", this approach is not suitable. We argue that behavioral autonomy is not a "default" property of a typical post-Soviet Russian.

On the contrary, the most important characteristic of "Homo Post-Soveticus" is *behavioral dependence*. In other words, *we believe that typical post-Soviet Russians are characterized by the dependence of preferences on financial and social class restrictions, non-autonomy of expectations in the form of a tendency to herd behavior during their formation and personal irresponsibility, leading to non-fulfillment of obligations*. The causes of the behavioral non-independence of Homo Post-Soveticus are rooted in its Soviet past. Such reasons include the above-considered state paternalism and soft budget constraints, characteristic of the Soviet economy. As was again noted, these features formed dependent behavioral attitudes among Soviet people. In addition, the subordination of the interests of an individual to the interests of society is often considered as an element the traditional Russian economic culture. Perhaps, collectivism and authoritarianism can be factors of behavioral dependency that go back to the distant past.

It is through the concept of behavioral dependency that the "adverse" phenomena of the post-Soviet Russian economy can be explained, such as massive investments of ordinary citizens in financial pyramids, consumption of low-quality goods under the influence of advertising, as well as massive violations and non-fulfillment of contractual obligations. These phenomena were common in the 1990-2000s and are important now.

Is Typical Post-Soviet Russian Agent "Homo Post-Soveticus"? Here we would like to present some quote from one sociological study of young generation's values and preferences: "Our students ... by and large, our young customers-consumers are a very peculiar combination of personal characteristics. Internal and external neuroticity, narcissism, high self-conceit, Napoleon complex, uncritical attitude towards oneself, hyperactivity and overdeterminism alternating with depressions and falling activity, lack of labor discipline and sustainability in solving life tasks, irresistible commitment to unlimited choice and enumeration of contacts and perspectives without fixing on any of them. What economic behavior can we expect from this generation?" (Ermishina).

Let analyze it using the theory proposed above. "Narcissism", "high self-conceit", "lack of labor discipline" are clearly compatible with the "low degree of personal responsibility" described by us, and also with opportunism.

"Lack of sustainability in solving life tasks" is compatible with a focus on quick returns from economic activity, and from here, "hand in hand", to investor myopia.

"Commitment to the choice ... without fixing on any of them" is clearly compatible with the low degree of rationality. A high degree of rationality, suggesting optimization, is not conceivable just without fixing at the best, optimal choice.

The standard neoclassical model – "Homo Economicus" – should correspond to such qualities as "commitment to choice with fixation on its specific options", "presence of labor discipline", "normal degree of self-esteem" (rather than "self-conceit" and "narcissism") and "high degree of sustainability in solving life tasks".

We believe that the fundamental difference between the "younger generations of the Post-Soviet Russians" and the old ones really lie in greater egoism, individualism, obsession with themselves and their problems, narcissism, neuroticism, etc. However, only individualism and egoism are not enough to get closer to the Homo Economicus model. Such qualities as the tendency to prudence/propensity to calculate, patience in anticipation of future results (embodied in a "normal estimate of the future time"), a high tendency to personal responsibility, and the ability to form independent preferences are necessary. In short, Discipline, Calculation, Patience and Responsibility are the most important characteristics of Homo Economicus. However, these qualities are absent in the new generations of the Post-Soviet Russians even to a greater degree than in representatives of older generations (It remains an open question about how adequate these qualities are for modern Western people, and accordingly, how well the neoclassical model of man works in the Western world).

Conclusion. We conclude that the stereotypes and behavioral norms of post-Soviet Russians that were formed by the beginning of the 21st century are not congruent to the formal institutions of an efficient market economy. These stereotypes and norms do not contribute to effective and rational decision-making, compliance with laws and contracts, honesty in business relations, and production activities focused on long-term results. A typical "Homo Post-Soveticus" is an agent characterized by a low degree of rationality, a high degree of adherence to self-interest (opportunism), investor myopia and behavioral dependence. These characteristics condition and strengthen each other. Some exception is only the direct correlation between opportunism and behavioral dependency: the latter of these pheno-

mena is unlikely to lead to significant opportunism, suggesting the opposition of personal interests to a collective one. However, investor myopia and a low degree of rationality “together” give rise to compatibility between opportunism and behavioral dependency.

As a result, decisions made by typical “Homo Post-Soveticus” lead, at the micro level, to inefficient allocation of resources, and at the macro level to low or decreasing investments in fixed and health capital, as well as technological degradation (or, at least, technological stagnation). Here it is necessary to note the following. Micro- and macroeconomic models created within the framework of mainstream economics are hardly adequate for analyzing both individual markets and the macroeconomy, if there are agents on such markets and in such an economy whose behavioral characteristics correspond to “Homo Post-Soveticus”. Models that take into account the simultaneous coexistence of low rationality, opportunism, investor myopia and behavioral dependency are needed.

In addition, as a result, the economy populated by such agents turns into a set of closed local relations and groups. The degree of mutual trust between agents with described behavioral features in such an economy is very low, and, accordingly, such an economy is characterized by a low degree of “transparency”.

It is logical to name such economic system “family-clannish” as opposed to the market system. The above features hinder diffusion of innovations, technological progress and, of course, intensive economic growth. In general, “family-clannish capitalism” is doomed to economic stagnation and lag behind “normal”, “market capitalism” due to an unfavorable institutional environment. One of the most important aspects of such an environment is precisely the stereotypes and norms of agents' behavior that form it, which were considered in this paper.

The main practical conclusion is that one can enter the trajectory of rapid and sustainable economic growth only when transforming the considered characteristics of economic behavior. It cannot do without overcoming the institutional inadequacy of the state and the deep reforms of formal institutions.

References

1. Avtonomov, V. S. (1998). Model of Man in Economic Science. Saint Petersburg, The Economic School Publishing House [in Russian].
2. Avtonomov, V. S. (2017). Constant or Variable Rationality As an Assumption of Economic Theory. *Journal of the New Economic Association*, 33 (1), pp. 142 – 146.
3. Bellais, R. (2004). Post Keynesian Theory, Technology Policy, and Long-term Growth. *Journal of Post Keynesian Economics*, 26 (3), pp. 419 – 440.

4. Bezemer, D. (2001). Post-Socialist Financial Fragility: the Case of Albania. *Cambridge Journal of Economics*, 25, pp. 1 - 23.

5. Dickerson, A. P., Gibson, H. D., Tsakalatos, E. (1995). Short-termism and Underinvestment: the Influence of Financial Systems. *Manchester School*, 63 (4), December, pp. 351 - 367.

6. Ermishina, A. V. We are not such. Retrieved from <http://www.ecsocman.edu.ru/db/msg/295621.html> [In Russian].

7. Hodgson, G. M. (1997). The Ubiquity of Habits and Rules. *Cambridge Journal of Economics*, 21, pp. 663 – 684.

8. Juniper, J. (2000). A Genealogy of Short-termism in Capital Markets. Working Paper 2000-03. University of South Australia. Division of Business & Enterprise. Centre of Business Analysis and Research.

9. Keynes, J. M. (1937). The General Theory of Employment. *Quarterly Journal of Economics*, 51 (2), pp. 209 – 223.

10. Kregel, J. A. (1995). Financial Structure for Developing Market Mechanisms in Eastern Europe / in: Finance, Development and Structural Change. Ed. by P. Arestis, V. Chick. Aldershot: Edward Elgar. P. 168 – 179.

11. Lavoie, M. (1993). A Post Keynesian Approach to Consumer Choice. *Journal of Post Keynesian Economics*, 16 (4), pp. 539 – 562.

12. Leibenstein, H. (1950). Bandwagon, Snob and Veblen Effects in the Theory of Consumer's Demand. *Quarterly Journal of Economics*, 64 (2), pp. 183 – 207.

13. Leibenstein, H. (1976). Beyond Economic Man. A New Foundation for Microeconomics. London, Harvard University Press.

14. Night of the Long Scoops (2018). The Economist. Retrieved from <https://www.economist.com/europe/2016/02/18/night-of-the-long-scoops>.

15. Rozmainsky, I. V. (2015). Investor Myopia and Persistence of the Global Crisis // A Post Keynesian View. *Montenegrin Journal of Economics*, 11 (1), pp. 107 – 116.

16. Rutherford, M. (1995). Institutions in Economics. The Old and The New Institutionalism. Cambridge, Cambridge University Press.

17. Williamson, O. E. (1975). Markets and Hierarchies. Analysis and Antitrust Implications. New York, Free Press.

Розмаїнський І. В. Homo Post-Soveticus: Спроба аналізу на основі посткейнсіанського та інституційного підходів.

Основна ідея статті полягає в тому, що поведінка типового пострадянського росіянина не відповідає моделі людини, запропонованої у неокласичній економічній теорії. Автор статті розглядає такі важливі відхилення від цієї моделі, як обмежена ра-

ціональність, опортунізм, інвестиційна короткозорість і поведінкова несамостійність. Основні причини для таких відхилень пов'язані з невизначеністю, а також складністю інформації. Ці зовнішні інформаційні обмежувачі є наслідком інституційних змін в пострадянській Росії в цілому та інституційній неадекватності російської влади зокрема. Теоретична основа статті – посткейнсіанство і старий інституціоналізм.

Ключові слова: раціональність, обмежена раціональність, опортунізм, інвестиційна короткозорість, поведінкова несамостійність, невизначеність.

Розмаинский И. В. Homo Post-Soveticus: Попытка анализа на основе посткейнсианского и институционального подходов

Основная идея статьи состоит в том, что поведение типичного постсоветского россиянина не соответствует модели человека, предлагаемой неоклассической экономической теорией. Автор статьи рассматривает такие важные отклонения от этой модели, как ограниченная рациональность, опортунізм, инвестиционная близорукость и поведенческая несамостоятельность. Основные причины для таких отклонений связаны с неопределённостью, а также сложностью информации. Эти внешние информационные ограничители являются следствием институциональных изменений в постсоветской

России в целом и институциональной неадекватности российских властей, в частности. Теоретическая основа статьи – посткейнсіанство и старий інституціоналізм.

Ключевые слова: рациональность, ограниченная рациональность, опортунізм, инвестиционная близорукость, поведенческая несамостоятельность, неопределённость.

Rozmainsky I. Homo Post-Soveticus: An Attempt of Analysis on the Base of Post Keynesian and Old Institutional Approaches

The main idea of the paper is that a behavior of typical Post-Soviet Russian agent is inconsistent with the model of man offered by Neoclassical Economics. Author of the paper considers important deviations from this model such as bounded rationality, opportunism, investor myopia and behavioral dependency. The main reasons for these deviations are concerned with uncertainty and informational complexity. These external informational constraints are consequences of institutional changes in the Post-Soviet Russia, in general, and institutional inadequacy of the Russian authorities, in particular. The theoretical foundations of this paper are Post Keynesianism and Old Institutionalism.

Keywords: rationality, bounded rationality, opportunism, investor myopia, behavioral dependency, uncertainty.

Received by the editors: 26.11.2018
and final form 14.12.2018