ВВЕДЕНИЕ НОВОЙ РУБРИКИ: ОТ РЕДАКЦИОННОЙ КОЛЛЕГИИ ЖУРНАЛА

В обществоведении, по сравнению с точными или естественными науками, монографии продолжают оставаться наиболее «уважаемым» источником в международном научном цитировании. По данным специализированных исследований, количество монографий составляет до 52% от цитируемых работ в социальных науках, в отличие от 7%, например, в медицине (*Wilson* and *Tenopir, 2008. P. 1398*)[1]. Именно книги позволяют ученым-обществоведам развернуто и аргументированно изложить свои позиции и представить результаты многолетних исследований с необходимой полнотой.

Однако познавательные ресурсы и время читателей не бесконечны. При практически неограниченном доступе к разнообразной информации наши возможности прочитать то, что имеет отношение к области собственных исследований, ограничиваются в большей степени вниманием, которое мы направляем на те или иные работы. Как отмечал специалист в области когнитивистики Герберт Саймон, «внимание становится более дефицитным ресурсом, чем информация»[2]. В этой связи краткость и структурированность текста приобретают особое значение, и нам проще прочесть статьи, чем обширную монографическую работу.

Принимая все это во внимание, редакционная коллегия журнала предлагает ввести специальную рубрику «НОВЫЕ КНИГИ: ОТ АВТОРА». Мы приглашаем авторов книг, которые, на наш взгляд, имеют важное значение для научного сообщества институционалистов, представить содержание своих книг в формате, близком к формату статьи. Тогда читатели журнала смогут, что называется, «из первых рук» получить представление о наиболее значимых, с точки зрения автора, идеях его книги и обратиться к ней, если эти идеи их заинтересуют.

В нынешнем номере журнала мы представляем новую книгу С. Г. Кирдиной «Институциональные матрицы и развитие России. Введение в X-Y-теорию» (Нестор-История, 2014). Хотя книга заявлена как 3-е издание уже известной нашим читателям работы, по сути это более чем на 40% обновленное исследование. Первые издания книги вышли еще в 2000 и 2001 гг. С тех пор и до настоящего времени издание 2001 г. продолжает оставаться одним из самых востребованных для российских обществоведов. По данным научной электронной библиотеки ELIBRARY.RU, в 2013 г. эта книга занимала 1-е место среди отечественных книг по числу цитирований среди социологов и 3-е место – среди экономистов. Во многих университетах России и некоторых стран СНГ теория институциональных матриц включена в программы по социологии, политологии и институциональной экономике. Нынешнее издание, в котором уточнены важнейшие теоретические положения, представлен новый эмпирический материал и проанализированы сделанные автором прогнозы, подтвердившиеся на практике, является наиболее полным изложением теории институциональных матриц, или X-Y-теории С. Г. Кирдиной.

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[1] *Wilson C.* and *Tenopir C.* (2008). Local Citation Analysis, Publishing and Reading Patterns: Using Multiple Methods to Evaluate Faculty Use of an Academic Library's Research Collection, *Journal of the American Society for Information Science and Technology*, vol. 59, no. 9, pp. 1393-1408.
[2] *Simon H.* (1978). Rationality as Process and as Product of Thought. *American Economic Review*, 68 (2), p. 13.

ТЕОРИЯ ИНСТИТУЦИОНАЛЬНЫХ МАТРИЦ, ИЛИ X-Y-ТЕОРИЯ: ОСНОВНЫЕ ТЕЗИСЫ И ПРИЛОЖЕНИЯ[1]

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В статье представлено развернутое содержание 3-го издания книги «Институциональные матрицы и развитие России. Введение в X-Y-теорию», вышедшей в издательстве «Нестор-История» в 2014 г. В Первой части вводятся основные понятия и даются исторические иллюстрации, относящиеся в периоду существования древнейших государств – Египта и Месопотамии. Тем самым обеспечивается единство логического и исторического подходов при изложении основ теории институциональных матриц. Обсуждаются исходные постулаты теории, включая научный контекст создания, материалистический подход, на котором базируется автор, вводится отграничение основного понятия – 'базового института' – от институтов вообще и от институциональных форм. Дается определение институциональной матрицы как системы базовых институтов, регулирующей основные социальные сферы общества – экономику, политику и идеологию. Рассматриваются особенности материально-технологической среды (коммунальной или некоммунальной), определяющие тип доминирующей в обществе матрицы – X- или Y- соответственно. Во Второй части анализируются комплексы базовых институтов, формирующих разные типы экономик, политического устройства и господствующей идеологии. Подробно описаны институты редистрибутивной и рыночной экономик, унитарной и федеративной политической систем, коммунитарной и индивидуалисткой идеологий. Особое внимание уделено их комплиментарности и содействию в институциональных структурах конкретных обществ. Третья часть посвящена анализу институциональных изменений. Показана их логика, обусловленная исторической устойчивостью институциональных матриц. В частности, продемонстрирована специфика революций как закономерных этапов социальной эволюции. Положения теории институциональных матриц, или X-Y-теории использованы для реконструкции истории и прогнозирования будущего России. Особое внимание уделено анализу сбывшихся прогнозов, которые были сделаны в предыдущем издании книги более 10 лет назад. Описаны глобальные институциональные циклы и показана устойчивость биполярности мира. Подчеркнуто значение «правильного» институционального баланса для эффективной социально-экономической политики, прежде всего, для России. В заключении представлена полемика по поводу теории институциональных матриц, ответы на часто задаваемые вопросы, а также проанализированы причины, затрудняющие применение теории институциональных матриц, или X-Y-теории в прикладных исследованиях. Показаны пути и примеры их преодоления.

Ключевые слова: институциональные матрицы; сравнительный институциональный анализ; гетеродоксная экономика; Россия.

INSTITUTIONAL MATRICES THEORY, OR X&Y THEORY: THE MAIN PROVISIONS AND APPLICATIONS

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The main provisions of the institutional matrices theory (or X&Y theory) and its applications, which are discussed on the pages of the book "Institutional Matrices and Development in Russia. An Introduction to the X&Y Theory" (third edition), are presented in the paper[2]. Earlier editions of the book first appeared in 2000 and 2001. And, the 2001 edition still benefits from brisk demand by Russian social scientists and their university students. According to data from the Scientific Electronic Library ELIBRARY.RU, the 2001 edition registers as the book most frequently cited by Russian sociologists, and as the third book most frequently cited by economists. At a host of universities throughout Russia, institutional matrices theory is currently included in the curricula in sociology, political science, and institutional economics. This new edition offers some improvements; by clarifying key theoretical points, offering new empirical data, and juxtaposing the author's forecasts to empirical evidence. This reviewing edition is more comprehensive and better designed in order that the reader might readily access and quickly comprehend the X&Y-theory advanced by an author.
Keywords: *institutional matrices; comparative institutional analysis; heterodox economics; Russia.*

JEL: *B21, B40, G21, P50.*

The book "Institutional Matrices and Development in Russia: An Introduction to X&Y theory"[3] is now published as a 3rd edition (previous editions of the book titled "Institutional matrices and development of Russia" were published in 2000, Moscow and in 2001, Novosibirsk). The fundamental principles and structure of the book have been preserved, but the text was considerably revised and extended due to the inclusion of new facts and further development of the theory's main principles regarding institutional matrices. The present edition exceeds the previous ones by almost one and a half times their volume.

The **Introduction** substantiates the main task of the book. It is to provide an efficient theoretical hypothesis to correctly explain the peculiarities of socio-economic development in Russia and other non-Western countries, for which the concepts of "market" by dominant intellectuals from the "Big Four"[4] have been found to "work poorly". At the same time, the task of developing a general sociological theory was solved, so that language would permit us to consider the peculiarities of both Western and non-Western countries as "special cases" and thus to realize their common patterns of socio-economic development. The task was additionally set to empirically verify a proposed scientific system that could successfully correlate Russian development with social processes in other countries.

The book pays careful attention to analysing the breadth and depth of basic institutions that define the historical trends of socio-economic development in modern nation-states. In this respect, the proposed theory contains a "critique of methods" (*Skinner, 1950*) of other theories that do not pay adequate attention to the value of "institutional matrices" that are rooted in national social structures.

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[2] These ideas were partly presented in Kirdina, 2012, 2014 etc.
[3] Svetlana Kirdina. Institutional Matrices and Development in Russia: An Introduction to X&Y theory. 3rd edition. Moscow–St. Petersburg: Nestor-Istorija. 2014. 468 p. (In Russian. Contents and Summary in English).
[4] The "Big Four" includes the USA, Great Britain, Germany and France. This term was proposed by Gregory Sandstrom in his dissertation at the Sociological Institute of the Russian Academy of Sciences (2010).

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The Introduction likewise confirms the need to construct theories in the natural and social sciences that can be followed when developing institutional matrices theory (IMT). The rich tradition of Russian social science and the specific character of our experiences during the great "period of changes" in post-Soviet Russia are depicted as ultimately favourable factors for developing the macro-socio-economic theory elaborated in this text.

THE FIRST PART of the book introduces the main ideas and provides preliminary historical illustrations as background to the proposed theory.

Chapter 1 designates the initial postulates of IMT. It begins by showing characteristics of the scientific context for its creation, as well as the authors that have most influenced the formation of the theory. The main predecessors make a *Top 12 list* for IMT including the French philosopher and social theorist August Comte (1798–1857); German philosopher, sociologist, and economist Karl Marx (1818–1883); French sociologist Emile Durkheim (1858–1917); Hungarian intellectual, forced to flee to Austria, USA and Canada Karl Polanyi (1886–1964); the group of scientists of the "state school of Russian historiography" of the second half of the XIX century (A. D. Gradovskiy, I. I. Dityatin, P. N. Milyukov, V. I. Sergeevich, et al.); Russian-American sociologist Pitirim Sorokin (1889–1968); American sociologist Talcott Parsons (1902–1979); American economist Douglass North (born 1920); Ukrainian-born American economist Harvey Leibenstein (1922–1994); Russian culturologist Alexander Akhiezer (1929–2007); Russian sociologist Tatiana Zaslavskaya (1927–2013); and Russian sociologist Olga Bessonova (born 1958).

IMT belongs in the sphere of comparative institutional analysis. This identifies not only a common theme, but also shares a similar methodology. This methodology: 1) proposes a holistic approach, 2) considers institutional structures of society as the primary focus of investigation, 3) applies a comparative typological method of analysis, and 4) develops a universal 'neutral language' to describe the investigated social systems (*Ananyin, 2002. P. 9-12*).

The historical-material approach creates a background within which IMT is being developed. The notion of "basic institutions" constitutes the main feature of the theory. Basic institutions are understood as profound, historically stable and permanently reproducing social structures of relations that provide integrity for different societies. They represent historical invariants for particular societies that preserve their integrity and development inside their unique material-technological environments. Such an interpretation places emphasis on the properties of institutions as the most important factors of selection in the special system of human relations, as it was pointed out by Thorstein B. Veblen (*Veblen, 1899*).

The basic institutions that express the constantly preserved properties of the institutional environment of a certain society are distinct from the particular "institutional forms" that are represented "on the surface" of social life. Such institutional forms are mobile and changeable; they born and die, bearing the impress of the civilizing context and reflecting the efforts of social groups in forming the rules of social community life with respect to the time and place.

The first chapter closes by representing the model of society as a social system, with three main subsystems used in IMT, namely, economic, political and ideological (see Figure 1).
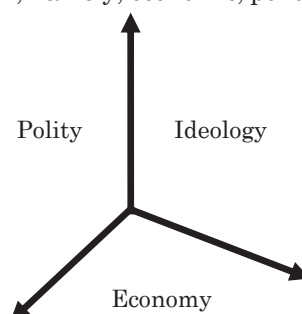

Figure 1. *Model of society used in IMT*

Economy, polity and ideology represent the main spheres of public life, each of which performs a definite function in the support of a society's integral unity. The economic sphere involves the cost and receipt of resources for life activities restricted to the external environment of a society's members. The political sphere creates the conditions for the collective organization to realise society's goals. Finally, the ideological sphere facilitates the "norming" of individual and collective activity defined by the system of values that make a basis for the communication and relations between members of society.

Chapter 2 explores the central notion of an 'institutional matrix' for IMT. An institutional matrix is a stable, historically arranged system of basic institutions that govern the interrelated functioning of the main social spheres, namely, economy, polity and ideology. The traditions of Marxian and structural thought, which tends "to explain the nature of any of these institutional procedures and, especially, its dynamics starting with the principles of 'deep' or concealed structure" (*Eisenstadt, 1978. P. 64*), are thus continued in developing the notion of the institutional matrix. In my investigating the institutional matrix, I follow not only Douglass North, who described this term in his works (1990), but also Karl Polanyi approach (1957, 1977) who stressed the embeddedness of institutions (*Gemici, 2008*).

The relevant historical, philosophic, economic, sociological, and culturological literature as well as empirical studies permit us to show that various institutional complexes of ancient and modern nation-states may be represented as a combination of two institutional matrices on a macro-level. They possess a common structure, but differ in the *content* of their economic, political and ideological basic institutions (see Figure 2). These matrices are named X- and Y-matrices, and the institutional matrices theory, therefore, carries a second name - X&Y theory.
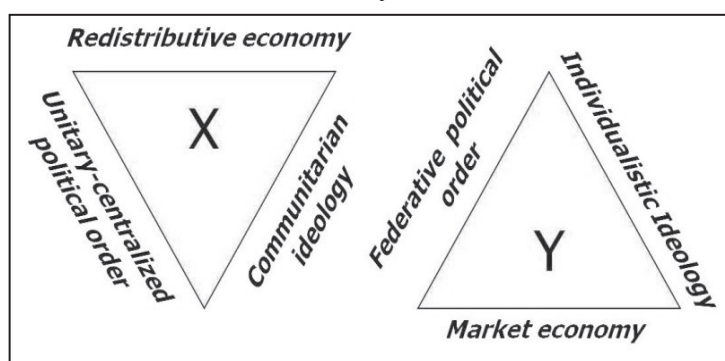

Figure 2. X & Y institutional matrices

The X-matrix is characterized by the following basic institutions:
–   In the economic sphere – *institutions* of a *"redistributive economy"* (a term introduced by Karl Polanyi): Redistributive economies are characterized by a situation where the center (on the top) regulates the movement of goods and services, as well as the formal and informal rights of their production and use;
–   In the political sphere – *institutions of a unitary (unitary-centralized) political order*;
–   In the ideological sphere – *institutions of communitarian ideology:* Their essence is expressed by the idea of preference towards collective, shared, public values and relations over individual, sovereign, private ones, the priority of "We" over "I."

We contend that X-matrix institutions predominate in Russia, China, India, and in most Asian and Latin American countries.

The following basic institutions characterize the Y-matrix:
–   In the economic sphere - *institutions of a market economy;*
–   *In the political sphere - institutions of a federative (federative-subsidiary) political order*;

–   In the ideological sphere - *institutions of individualistic ideology.* It proclaims the preference towards individual values and relations over collective ones, the priority of "I" over "We".

Y-matrix institutions prevail in most European and North America countries, as well as in Australia and New Zealand.

In all societies and nation-states X- and Y-matrices interact, with one of them permanently prevailing. Nevertheless, the matrices do not entirely exclude one another, given that both types of matrices co-exist concurrently in every given case. In other words, the social structure of any society can be singled out as a dynamic binary-conjugate structure of these two interacting, yet alternative institutional complexes. The domination of one of the matrices over the other is usually constant in the course of history. The institutions of the prevailing matrix, therefore, serve as a performance framework for additional institutions to the other matrix.

The institutions of the main matrix in a society are named "predominant" and the institutions of the other subordinate matrix are named "complimentary." The predominant institutions define the type of social identity of specific societies, while complementary institutions are also "a must," but they have a character of complementary rather than of governing voice society and play a required, but auxiliary role, providing for stability of the institutional environment in each definite social sphere. Just as the dominant gene in genetics "suppresses" the recessive one and sets the revealing features of a living organism, so it is also that predominant institutions define the character of the institutional environment occurring in a society, setting the frames and restrictions for the activities of complementary auxiliary institutions. Schematically these ratios are shown on Figure 3.
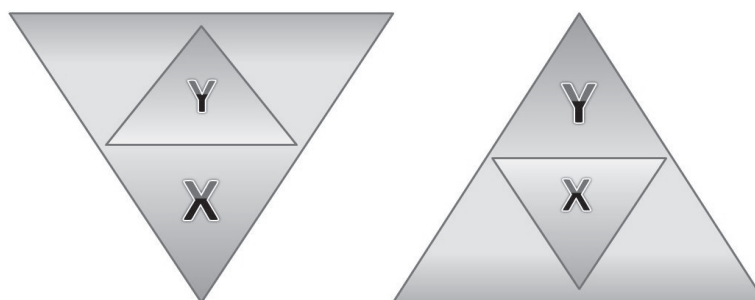

Figure 3. *Combinations of predominant and complementary institutional matrices*

The main feature of the predominant and complementary institutional matrices means is that one deals with a dialectical model. Dialectical conflict resolution occurs at each stage in the interaction of the two types of matrices, and each time the "opposition of the contradictions on a new qualitative level is the driver of the development" (*Baranov, 1992. P. 134*).

Chapter 3 is dedicated to an analysis of material conditions as the main factor influencing the definitive matrix of an institutional structure. The background and a review of investigations on the role of the material-technological environment is shown in the establishment of institutions. The material-technological environment is represented by the nature conditioned productive and social infrastructure's branches with their inherent technological and management systems, which provide the life conditions for human populations.

The social features of a material-technological environment are revealed by their uses for mutual social activity, starting with engaging elements of the natural environment in economic circulation. Despite multiple environmental characteristics and the ongoing technological progress, the material-technological environment maintains the social features of **communality** or **non-communality**. These latter notions were first defined in 1996 (*Bessonova, Kirdina* and *O'Sullivan, 1996. P. 17–18*).

Communality denotes that the material-technological environment can exist as a whole, integrated, and indivisible system, whose parts cannot be removed without threatening its integrity. A communal environment can function only in the form of public goods and cannot be divided into parts bought and sold by the unit. Accordingly, joint and coordinated efforts by a considerable percentage of the population, as well as a unified and centralized government are needed. The institutional content of a nation-state, developing within a communal environment, is eventually determined by the tasks of coordinating the joint efforts towards a more effective public use. Examples of such communal environments are the ancient trade road "from the Varangians to the Greeks", including a system of rivers, dikes and channels of Ancient Rus', technologies of flooded rice growing in ancient and modern China, irrigative watering in Egypt, and centralized heating supply to Russian cities, etc.

Non-communality signifies the breaking of the material-technological environment into parts, wherein the latter function independently and are used private usage. A non-communal environment is reducible into separate, disconnected elements. Moreover, it is able to disperse and can exist as an aggregate of dissociated, independent technological objects. In this case, individuals, families or groups of people can involve parts of the non-communal environment in their economy, maintain their effectiveness, and use the results obtained on their own, without practically cooperating with other members of the society. When this is the case, the main function of institutions is to assure that interaction can take place between atomized economic and social agents. Examples of such non-communal environments are individual farming technologies in agriculture, autonomous diffuse heating supply in cities, etc.

IMT shows that all countries have elements of both communal and non-communal material-technological environments, but that their correlations are different. If the nation-state is being developed in the conditions of a principally   communal environment, then X-matrix institutions prevail in the institutional structure. If the environment is mainly non-communal, then Y-matrices are more adequate.

Chapter 4 compares the institutional structures of two of the most famous ancient states in history — Ancient Egypt and Mesopotamia. The environmental conditions and the applied technologies of agrarian production and structures of the economic and political institutions as well as guided values and ideologies are compared. The evidence shows that starting at the very beginning of the nation-state period of human history states with two alternative prevailing institutional matrices have been represented. So, X-matrix institutions were predominant in Ancient Egypt — a redistributive economy, unitary political order and communitarian ideology. Mesopotamia (Babylonia), on the other hand, reveals an example of a "state of states", wherein Y-matrix institutions play the leading role — a market (exchange) economy, federative political order and individualistic ideology.

Though most historians consider both states as rather similar and refer them as one group of countries in the Ancient Near East, instead IMT permits us to detect profound institutional differences in their arrangement. This serves to explain the considerably different trajectories of their further social and economic development in several aspects.

THE SECOND PART of the book explains in detail the basic institutions forming X- and Y-matrices.

Chapter 5 is dedicated to the study of economic institutions. Firstly, the common characteristics of two types of economic subsystems are provided, named those found in X- and Y-economies. This reveals that the rich and various conceptual and methodological tools have been formed over the past 200 years when studying market-based Y-economies. At the same time, investigations into redistributive-oriented X-economies have been conducted inconsistently and using rather un-integrated theoretical approaches. Such underdevelopment of theoretical reflection about X-economies is considered as one of the main reasons for their less effective elaboration compared to theories about Y-economies in recent decades. This situation continues to

impede proportional development of economic theories in the current epoch of "knowledge economy".

The most important institutions that define the difference between X- and Y-economies are those that involve *transfer of goods rules between economic agents*, that is, redistribution and exchange, respectively. Their peculiarities are shown in Figure 4.
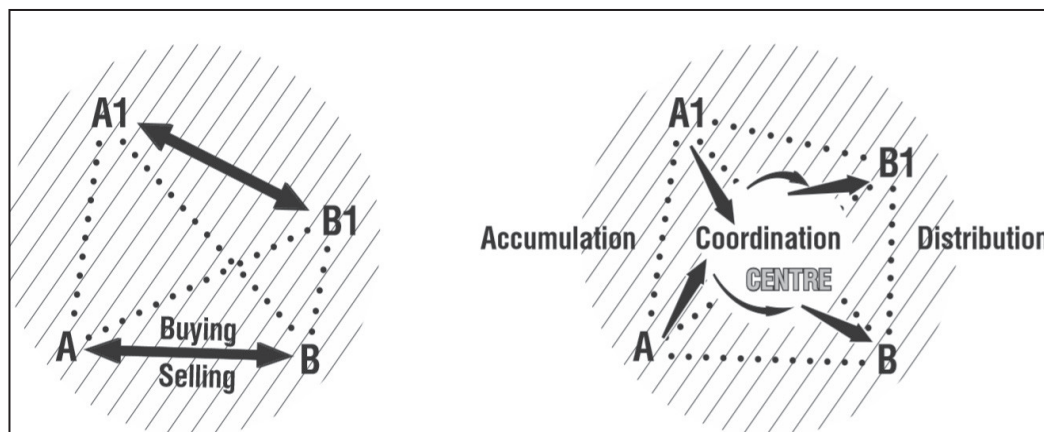

***Figure 4.** Interactions between economic agents in the exchange and redistribution models*

The relations occurring between two economic entities both in market and redistributive economies are identical: in both cases we observe the transfer of resources or produce from a conventional subject A to a subject B on the surface of events. Likewise, the reverse is a receipt of monetary or material compensation for the values transferred or services rendered. But the institutional mechanisms of this common procedure are different, as it is reflected in the diagram.

The procedure of horizontal interactions in the market Y-economy in the form of "purchase and sale" is the principal process, which is marked by the bold arrows connecting A and B subjects in an exchange model. The dashed arrows define indirect connections of the subjects with other market participants. These connections show that the terms and conditions of transactions between definite subjects are defined by the state of the market, i.e. by the level of prices and costs, the presence of similar and alternative goods, functioning rules, etc.

In contrast, the interaction between A and B subjects in redistributive X-economies are a consequence of processes of accumulation, coordination and distribution performed with the participation of an economic center. Therefore, the named processes are marked by bold arrows identifying the main content of redistributive relations, in addition to contacts between economic subjects that in this context are marked by dashed arrows.

What are conditions the formation of the economic center in X-economies? The coordination of economic transactions in a communal material-technological environment is required not only between two subjects, but also with other participants in economic life, as they function in a communal technological complex. Economic agents strive to minimize the transaction costs detected by Ronald Coase (*Coase, 1937*), which means that the most important required coordination is centred in one body. This results in an accumulation of required information, defines the priorities and other rules of interactions in the communal sphere as well as the concentration of resources, which are required to support the coordinating role of the center in X-economies. The redistribution model is therefore distinct from the exchange model of economic processes, which is expressed by the relevant pair of interpenetrating *buying-selling* phases. The redistribution model includes not two, but three sides: a pair (at least) of economic subjects and the center that mediates their interactions. The three phases of *accumulation-coordination-distribution* (*Polanyi, 1977. P. 40-41*) are respectively distinguished, which pertains not only to resources (welfare, services and products), but

also to the legislative norms (accounting, control and the like) associated with them.

The full set of basic institutions of redistributive X-economies and market Y-economies analyzed by IMT is represented in Table 1. It shows that these institutions differ by their content, though they perform similar functions.

Table 1

Institutions of X- and Y-matrices in the economy and their functions.

Functions of economic institutions	Basic institutions of X-economy	Basic institutions of Y-economy
Transfer of goods	*Redistribution (accumulation – coordination-distribution)*	*Exchange (buying-selling)*
Regulating access to goods (property rights system)	*Supreme conditional ownership*	*Private ownership*
Interaction between economic agents	*Cooperation*	*Competition*
Labour system	*Employed (unlimited term) labour*	*Contract (short and medium term) labour*
Feedback loops (effectiveness indexes)	*Cost limitation (X-efficiency)*	*Profit maximization (Y-efficiency)*

Primary attention is paid to *X-efficiency (cost limitation) and Y- efficiency (profit maximization) institutions* that perform the functions of providing feedback signals in X- and Y-economic models. This highlights a new pair of institutions that was not considered in previous editions of the book. They are included in the analysis after acquaintance with the works of Harvey Leibenstein, who distinguished the differences between X- and Y-effectiveness (he introduced these notions into scientific use in 1966). The inclusion of Leibenstein's understanding of institutions permitted me to complete the models of X- and Y-economies in this book.

Usually one model of either X- or Y-economies dominates in economic practice, while the institutions of the alternative model perform a required as well as auxiliary role in ensuring that the national institutional economic environment is stable. The chapter thus finishes by describing examples of interactions between predominant and complementary economic institutions in different national economies in the pursuit of proper proportionality.

Chapter 6 describes models of unitary and federative political subsystems, which are typical for X- and Y-matrices. The unitary political order or an X-polity is characterized by centralization and mono-centricity of governance as well as engagement in the formation of "subordinate" areas in the total nation-state territorial structure. In its turn, the federative political order or a Y-polity supports the "component" character of nation-states and the functioning of (relatively) independent governance centers in the territories.

The available scientific literature, especially legal works, applies the notions of a federative and unitary character quite often, but as only relative forms of nation-state arrangement. This book depicts that these terms occur with deeper content and reflect the internal essence of political systems and communities as a whole, which are constructed under unitary or federative principles. It was also pointed out that specifying a federative character in the name of a nation-state does not always mean which basic institutions dominate it. Thus, a unitary political order preserves many countries naming themselves "federations" e.g., Russia, Brazil, etc.

Two types of institutions govern different types of political orders (see Table 3) that are considered in detail. Performing the same public functions (in the left column of the table), the basic institutions of federative and unitary political subsystems have different content (in the right two columns).

Table 2

Institutions of X- and Y-matrices in polity and their functions

Functions of political institutions	Basic institutions of X-polity	Basic institutions of Y-polity
Territorial organization of the state	Administrative-territorial division (unitarity)	Federative-territorial structure (federation)
Governance system (decision making flows)	Vertical hierarchical authority with center on the top	Self-governance and subsidiarity
Access to governing positions	Appointment	Election
Type of interaction in the order of decision making	General assembly with the rule of unanimity	Multi-party system with the rule of a democratic majority
Feedback loops	Appeals to higher levels of hierarchical authority	Legal suits

I have shown a variety of definitive political systems that are ultimately characterized by the predominance of either X- or Y-matrices of political institutions. This actual discrepancy over *communality* and *non-communality* has been realized in varied institutional structures, as the Chapter shows.

The chapter finishes by analysing the interactions of unitary and federative institutions via the political systems of various countries, which is seen when some of them dominate while the others are complementary.

Both systems of political institutions may be perceived by the population of a nation-state as being necessary and functioning based on various measures, which are implemented inside and outside and are shared by citizens based on "public agreement". The conditions and background for such an agreement are a scientific and practical understanding of political models realized in a given society, including their development and social articulation (as adequate legal norms) and their recognition by citizens and all social groups as normative and effective in conforming to the common interests of the people.

Chapter 7 investigates the complexes of institutions of communitarian and individualistic ideology as shaped in X- and Y-matrices.

At first the specific analysis of ideology is depicted from the position of the investigation's institutional approach. In this framework ideology is understood not only as "imaginary relations of individuals with real conditions for their existence", or as "conceptual visions of the world", but also as having practical existence, which is reflected by various types of mass behaviour. Ideology as a practice supposes social relations that form the coordinates of human activity. The task lies in separating latent public norms that exist independently of specific individuals and groups, which are met by each generation as they occur and continue to govern mass social behaviours. Careful attention is given to detecting basic public ideas, which reveal themselves as major tendencies, including common reasoning of changing viewpoints, opinions, concepts and ways of thinking about perfecting norms and rules of social behaviour and those that serve to reproduce the nationally ideal social system.

Louis Althusser paid attention to the peculiarity of realising ideology in social systems, saying that ideology is manifested in different social institutions, ceremonials and practices, including ideological state apparatus (*Althusser, 1971*). He also shared the thesis that it is peculiar for ideology to possess a definite structure and functioning, which turn it into non-historical reality, i.e. an *all-historical one*, to the effect that these structures and functions are in their certain form indispensable and actual in the notion we name an integral history. In other words, ideology in such an understanding is represented by the ever-present, trans-historical, and unchangeable in its shape across centuries (Ibid.), which conforms to the notion of a *basic institution* that I introduce

with IMT.

Ideology as an institution supports the requirements for social development and economic growth, specifically "support of consensus (unity of opinions) under the basic principles and reference marks between the main groups and social layers, especially within the political, economic and intellectual elites of the country" (*Mau, 2002. P. 15*). It also makes possible the common platforms of interaction in the political sphere of a society. In this sense, ideology should not be perceived as merely a negative distortion of political reality, but rather as a framework for understanding how ideas shape the polity in any nation-state via its institutions.

Thus understood, ideology is represented as a peculiar kind of institutional cultural framework, which permits people "to embody" it in the structure of the social system and to point out its specific functions, which differ from the functions of the economic and political subsystems. Ideology "engages" social processes (*Abercrombie et al., 1997. P. 109*) that play a decisive role in constructing the positional structure of a society and how individuals self-identify in this collective structure. In this sense ideology could be analyzed from the viewpoint of *spiritual imperative* concept developed by Valentina Ksenzova and Sergey Ksenzov (2014).

Among the multiple functions of ideology as an interactive sub-system of society, five functions are selected as the most important:

– first, supporting the determinants of social development, i.e. of the stable rules that define the character of interrelations between society's members;

– second, maintaining guideline opinions regarding social structure and identity, which are historically expressed in a nation-state's social consciousness as characteristic, true and expected;

– third, transmitting dominating social values, i.e. the representations of the character of public arrangements that define typical social expectations, mass behaviours and initiate a definitive value system;

– fourth, reproducing crucial labour motivations and outlining considerable national incentives of labour activity;

– fifth, establishing a set of stereotypes for thinking about common (shared) property, which is most adequate for the economic and political arrangement of the society based on a definite institutional matrix (X- or Y-).

The basic institutions of X-matrix communitarian ideology and Y-matrix individualistic ideology that serve to enable these important social functions are represented in Table 3.

Table 3

Institutions of X- and Y-matrices in ideology and their functions

Functions of institutions	Basic institutions of X-ideology	Basic institutions of Y-ideology
Core principle of social actions	Collectivism	Individualism
Normative understanding of social structure	Egalitarianism	Stratification
Prevailing social values	Order	Freedom
Labour attitudes	Well-being-oriented	Pecuniary-oriented
Principles of common thinking	Integralism - holism - continuality	Specialization-reductionism-discrecity

The basic ideological institutions reveal themselves in various forms: norms, behavioural formulas, stereotypes of action and thinking, definite concepts and doctrines, and sets of values reflected in national consciousness. Despite the fact that peoples around the world possess an approximately similar set of human values,

nevertheless they range differently, giving priority to certain values instead of others (*Kasyanova, 1994*). Such a range serves as a particular validation for one type of social-cultural activity and also as an obstacle for the others. Public choices made in favour of communitarian or individualistic ideological institutions manifest themselves in history (they preserve alternatives, in a smaller or larger proportional range) and condition the significance of various institutions that preserve and develop an identifiable nation-state.

The chapter ends with examples of interaction between predominant and complementary ideological institutions in a number of countries over several historical periods.

THE THIRD PART of the book is dedicated to a comparative analysis of the stability of institutional matrices and institutional changes. A reflexive note about the book's theory here seems necessary. During the period of time that passed since the publication of the first and second editions, one of the main trends of IMT criticism was its alleged static character and insufficient attention to analysing dynamic aspects of polity, ideology and economy. Therefore the third part supplements the previous editions with two new chapters dedicated to the occurrence of institutional statics and dynamics.

Chapter 8 places the main emphasis on investigating the historical stability of institutional matrices. Douglass North, one of the first to investigate of this phenomenon, combined the stability of institutional matrices with the increasing returns peculiar to them, and the ability of institutional matrices to be self-supported (*North, 1990*). The strong stability of institutional matrices explains path dependence (the dependence from the way of the preceding development) potentially giving rise to 'lock-in'. The history of ancient and modern states shows that the main paths of economic and political evolution cannot be turned the clock back (or reversed) as a result of the inconsiderable events or errors. Historical attempts to radically change the predominant position of an institutional matrix have resulted in the weakening or destruction of states, as depicted in this chapter.

This also again points out the role of external conditions of the material-technological environment in relation to society. These conditions define the robustness of the predominant institutional matrices. The formation of institutions follows the laws of self-organization of the complicated systems in the external environment. This self-organization is expressed in the creation of definite institutional structures from the chaos, which are none other than "processes organized in an environment in a definite way" (*Kurdyumov, 1990. P. 4*). Institutional matrices are represented by a sort of structure, localized in definite parts of the external material-technological environment.

Theoretical statements on the stability of institutional matrices, arising out of the analysis of their properties and supported by data of historical investigations, permit the realization that the changes occurring in societies are evolutional as well as revolutionary. The analysis of vast materials regarding social revolutions in France, Russia, and some countries of Southeast Asian countries, performed on the basis of X&Y theory, provides a new insight into the nature and reasons for these revolutions.

The thesis that a revolution is a moment in the process of evolution is protected. It is represented by the spontaneous return of social structures to the predominant institutional matrix, which was had been deformed as a result of the unconscious actions of the social subjects inside a nation–state, or impacted by the external influences. The continuous character of historical processes as a progressive advance along the spiral of development is restored by revolutions (see Figure 5).
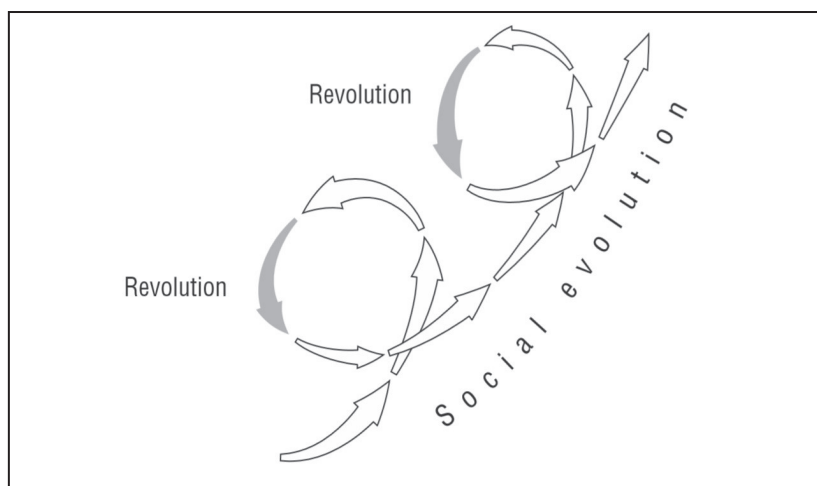
Figure 5. *Revolutions as moments of social evolution*

Such a judgment seems paradoxical, but it returns us to the initial meaning of "revolution". From Latin, the word *revolvo* means "the return, the rolling back, the circulation". The term "revolution" was relied upon in natural sciences during the fourteenth century, and meant "rotation movement, moving in a circle". For example, Nicolas Copernicus named his famous work "On the Revolutions of the Heavenly Spheres" (*De revolutionibus orbium coelestium, 1543*). The current understanding of revolutions as the cardinal changes in the economic and political organization of a society is based upon the works of Karl Marx and his evaluations and interpretation of the events that occurred during and as e result of the French Revolution (1789-1799).

At the same time, a number of researchers pay attention to the restoration of institutions, which have been historically established in a country, during revolutions. Thus, one of the most famous "revolutions" having been realized in the Asian countries is the Japanese Revolution of 1868 (also Meiji Reform, or Renewal). According to experts, its main content and vision of the world is "a utopia inverted in the past" (*Webb, 1968, cited in Eisenstadt, 1992. P. 391*). On one hand, in the course of major administrative reforms, Japan again became a unitary state. New vertical executive power was created in accordance to the Japanese tradition of the eight century, and Confucian values were again hailed as the official state ideology. On the other hand, however, the Meiji Revolution was responsible for the emergence of Japan as a modernized nation by the early twentieth century. In fact, the renewed forms of basic institutions of the dominant X-matrix helped Japanese society better respond to the challenges of modernization.

A similar conclusion regarding the preservation of deep institutional structure was made by Alexis de Tocqueville in relation to the French Revolution. Almost 150 years ago, he wrote that "the revolution should not have changed the character of our civilization as considered by the others … It should not change the essence of the fundamental laws being the basis of the human societies here in the West" (*Tocqueville, 1997/1856. P. 23*). Tocqueville explained that the causes of the revolution were the super-centralization of governance at federal and local levels. From the IMT standpoint that policy threatened to replace the political order typical for the European countries with unitary-centralized political institutions. Similar attempts were made in the economy. The central government by administrative order set prices and confiscated food supplies, introduced a rationing system, and required of all villagers to participate in the harvest work (*Eucken, 1939. P. 82-83*). Finally, the French Revolution restored the dominant position of the Y-matrix in the institutional environment of French society, and contributed to the development of a market economy and federative political order.

At the turn of twentieth century, there was an effort in Russia to replace the historically dominant institutions with complementary once. But in Russia's case, it was an attempt to change the dominant position of X-matrix into Y-matrix institutions, not the other way around (e.g., 'building capitalism" and a multi-party political system). The Bolshevik Revolution reconstructed the dominant institutions into X-matrix institutions. That is, a redistributive economy, a unitary political order, and communitarian ideology came into being in the Soviet Union.

IMT competes with theories of market transition and societal transformation in explaining their causes and results for Eastern European (EE) countries. From the IMT point of view, the so-called modern "revolutions" that took place in most of the Eastern European states should be considered "restitutional" in character. After World War II, and as a result of powerful USSR's influences, the EE-states were forced to develop institutions for a Soviet, X-matrix-social-system style as an alternative to Western capitalism, which contradicted the original institutional Y-matrix in most of these countries. When the Soviet influence weakened following the collapse of the USSR, the EE-countries were able to restitute their historic institutional order, and rather quickly.

The robustness of the dominant institutional matrices helps us understand their resistance to "contra-institutional reforms" in many nation-states. The relevant discourse has brought forth some new arguments that explain the "grassroots resistance" to deep marketization in many societies, and answers the question "Why capitalism triumphs in the West and fails everywhere else?" (*de Soto, 2000*).

In his book, *The Mystery of Capital,* Hernando de Soto - a well-known Peruvian economist – tackles the question of why some countries succeed in capitalism while others fail. According to de Soto (2000), the main problem lies in the legal structure of property and property rights. He argued that every developed nation in the world at one time went through the transformation from predominantly informal, extralegal ownership to a formal, unified legal property system, meaning a private property system. Private property allows people to create capital and facilitates other market institutions. In the book, de Soto shares facts from the history of Latin America about attempts in many countries to implement private property land rights in countryside and private property housing rights in urban areas. De Soto analyzes a wide range of special programs, supported by the World Bank and other international organizations, as well as inside reforms to develop private property systems in Latin American countries. He concludes that all of these efforts have failed.

In my research, I have also analyzed in detail the dynamics of land property in Russia during the last centuries (*Kirdina, 2003*). My analysis of the data collected by a number of Russian and foreign researchers reveal that the institutional basis of land relations in Russia remains stable: The economic institutions of X-matrix dominate when the Y-matrix economic institution has a complementary character. At the same time, the balance between X- and Y-institutions is not static, but changes cyclically. The same is true regarding the newest period in Russia's history. This was confirmed by a study of Russian land legislation in the period 1994–2012 (*Sokolov, 2013*).

Both in Russia and Latin American countries, the resistance to a widespread private ownership of land is due to the predominance of X-matrix institutions in mainly communal environment. So, these nation-states need an adequate system of property rights that should be different from that of many Western countries, and they have been trying to do it by trial and error for a long time.

Chapter 9 reveals the peculiarities of considering institutional change using IMT. It points out that the fundamental stability of institutional matrices does not imply a "frozen state", and invariability of public life. The correlation of institutional matrices - defining a set of possible social, economic, and political transformations, with the logical development of social forms - does not cancel the constant improving of the institutional environment and the active role of social subjects in this dynamic process.

Pursuant to the delimitation of basic institutions and institutional forms, institutional change are understood as a process of perfecting the institutional forms.

Such approach differs from the concepts of institutional change, where the nature of the predominant institutional matrix of society and its role in the choice of a social development trajectories is disregarded. At the same time, such an understanding is close to the branch of research in the framework of *path dependency*, in which the value of institutional matrices is recognized as a definite "filter" of success or failure of the permanently adopted social innovations.

Supplementing the well-known slogan that "history matters" (*North, 1990*), X&Y theory, first and foremost, specifies *where* and *which* institutions form the historical process. Additionally, it provides a new analytical view that permits people/scholars to study history divided into 30 interrelated basic institutions in the spheres of economy, polity and ideology, described in detail in chapters 5–7. This way it deals not only with a new descriptive language, but also often faces concealed and previously not very well investigated social structures, which are important for the functioning of a society as an integrated unity.

IMT analyses both internal and external sources of institutional change. Special attention is given to the "institutional exchanges" between nation-states, and their roles in the development of the institutional environment. Institutional exchanges are accompanied by the phenomenon of *institutional isomorphism,* according to Paul DiMaggio and Walter Powell (1983). The notion of *isomorphism* reflects a process of homogenization, or formative procedure, that forces one unit in population to resemble other units existing in the same environmental conditions (*Hawley, 1968*), thus requiring certain compatibility between them. Isomorphism is a consequence of rejecting the non-optimal forms of a population if they are unable to adapt to it (*Hannan* and *Freeman, 1977*). Institutional isomorphism supposes a compulsory adaptation of institutional forms, implemented into another institutional environment, thus paying attention to the need for adaptation to the actual conditions.

The criterion for successful and complete conditions for institutional exchange is the establishment of stable connections between adopted institutional forms and the institutional environment of a particular society. In practice, this means the need for considerable modification of some implemented elements when the introduced name of an adopted institutional form may be preserved, but its essence changed. This determines the national requirements of the predominant institutional matrix in a nation-state.

I could present the institutional form of "trusts" as an example of a borrowed economic form from the Y-matrix economic model imported into Soviet Russia during the New Economic Policy (NEP) period (1921–1928). At that time, trusts in the US economy denoted private ownership and monopolistic unions that were the major market players (the first trust, "Standard Oil", was established by John Rockefeller in 1879). In Soviet Russia, where even during the NEP period the X-economy model dominated, "trusts" (*tresti*) were considered state institutions that controlled market processes, fixed by relevant political instructions. At first, the trusts functioned by themselves, based on government approved articles of association, but then they turned into intermediary administrative chains in a hierarchical model of industry control by the 1930s. Thereafter, they were completely absorbed by the vertical system of economic power in USSR, and become its integral element.

The Chapter also points out the important task of searching for a dynamic *institutional balance,* i.e. of relevance to the historical period, the capacities of the country and external challenges. The goal should be to find and support the optimal combination (cf. proportional balance) of predominant and complementary institutions. When the "correct" institutional balance is achieved the alternative basic institutions support each other, the possible negative influences of societal excesses from the predominant matrix are smoothed, and the relationship of complementary institutions is steadied by the required limits. *Institutional balance* approach could complement the typology of approaches to identifying the effectiveness of institutions presented by Igor Shiriaev (2014) I suppose.

The book's thesis contends that Western countries, in which Y-matrices have historically dominated, were more successful in recent decades conducting a directed institutional change. Here the interaction between governance structures and social scientists (who provide the economic and political ideas for other social groups) has a rather specific character. The intellectual communities of Y-matrix countries have accomplished major work over the last two centuries with regard to scientific reflection about the characteristics of Western societies. Thus, they have largely succeeded in persuading their respective peoples and governments in the overall fairness and inviolability of the historically established fundamental institutional system. Similar intellectually self-validating activities should be accomplished in countries with predominantly X-matrices in order to achieve a more equitable and culturally justified status quo.

Chapter 10 depicts the application of IMT to analysing the past, present and future development of Russia.

At the basis of Russia's current institutional order is the peculiar material-technological environment, which is predominantly communal. Historical developments of the communal material-technological environment in Russia are deep and widespread. Communal features of life in Russia grew and became typical not only for resource branches, but also for the most important technological systems and aspects of social infrastructure. I make a detailed analysis that connects the rise of communality in Russia with similar circumstances that are often disregarded by Y-matrix nation based historians, but which contribute as a considerable factor involving institutional changes.

The presented analysis reveals how IMT can be used to reconstruct other periods of our native history in contrast with the historical Y-matrix mainstream. Thus, "calling for the Varangians" (X century) to initiate Russian statehood is reinterpreted as fulfilling the need to support both communal infrastructure in the country (which was then only a system of river paths enabling trade with the Byzantine Empire and other states) and the integrity of forming the ancient Russian state.

Taken in this light, X&Y theory pays attention to the significance of institutional transfers, which were actively performed in the Russian state during the so-called Tatar-Mongol Yoke (XIII–XV centuries). In this period, the idea of viewing the sovereign as a supreme owner was articulated, as well as assigning peasants and tradespersons with the idea of compulsory service of "service class men". Elements of the Mongolian hierarchical system were duplicated when establishing the Moscow governance (*Leontovich, 1879*). Also, a system of mail paths called "yams" was implemented during the period of "yoke", which was typical for the Golden Horde (borrowed from China). Additionally, a hierarchical system designed to collect monetary tributes was implemented. These decisions promoted the development of the Moscow kingdom and further exalted the Russian state.

Through the lens of IMT, reforms of Peter I are also appraised differently. His well-known reforms in Russia were actually borrowed institutional forms from Western Europe, which often conflicted with the nature of historically Russian institutions. Thus, even Peter "The Great" could not change the character of the dominant institutional matrix in Russia. Having preserved their names of origin, many innovations were only measured by the solutions that they could provide for real problems in the Russian homeland. Thus, the essence of foreign forms has been modified in accordance with the dominant alternative institutional environment of the nation-state.

The Chapter's concluding paragraph is dedicated to analysing the content and perspectives of reforms in post-Soviet Russia. The X&Y methodology let us mark two stages of institutional transformations: before and after 2000. These stages differ by the direction of the institutional design and the policies to create new institutions.

In the early 1990s, when the USSR broke up, the content of the transformations was to disassemble the predominant X-matrix institutions, with its seemingly obsolete institutions, and to replace them with Y-matrix institutions. Political experts often call this first period of reforms the "Yeltsin era," named after the Russia's first post-Soviet

president, Boris Yeltsin. The attempt to totally replace the planned institutional system, based on state ownership of property, with an alternative system of economic institutions, based on private ownership, occurred in the economy, known as "privatization" in its broadest sense. In the political sphere, the task was to replace the USSR's previous unitary state with a federation of regions aimed at developing democratic institutions similar to those of Y-matrix nations. These included elections, developing self-management, modernization of the legal judicial system, and such like. Rejection of communist values occurred in the ideological sphere and a search for new ideas began. Thus, the initial point was "declaring human rights" as the highest public value in Russia.

The second stage of Russian reforms started in the 2000s and continues into the present. It coincides with the presidency of Vladimir Putin (first elected into office in 2000, and again in 2012). The essential feature of this second period has been the reorienting of social and economic policy away from the total implementation of the Y-matrix institutions and toward modernization and upgrading of the historically normative X-matrix Russian institutions. The cardinal task of "Westernization" is no longer on the political, economic, or ideological agenda, but the search for appropriate development of complementary Y-matrix institutions is ongoing.

10 years having passed since the previous editions of this book now permit us to check the degree that earlier forecasts were realised relative to the institutional changes and development of Russian society. These forecasts had a qualitative character which required analysis of laws and resolutions adopted by the government at the federal level to test my predictions.

Forecasts regarding institutional dynamics in the economic and political sphere were confirmed totally. Thus, the contractual management model has grown to replace the previous "administrative and command" management model. The search for an optimal ratio between the state and private structures has continued as well as searches for the new forms of their interaction (e.g. legislation on a public-private partnership). Modernizing the operative vertical hierarchy has continued in the political sphere with a redistribution of power, rights and liability between governance levels: from federal to municipal. The mechanisms of new staffing policies have started to be created, which combine both election and appointment. Finally, the Russian government has fortified the system of gathering and processing appeals, which is the main signalling strategy for governance in the political sphere for the X-matrix countries.

One can concludes that IMT has shown to be able to provide scientific means for recognising and forecasting changes that occur in various institutional environments. The next task, which solves beyond this book, is to develop quantitative methods of institutional analysis based on the proposed theory. Several papers have already been published to this effect over the past 10 years and our team continues to conduct research and gather data both in Russia and internationally with other colleagues who are applying the IMT framework.

Chapter 11, which appears in the new edition of the book, is dedicated to analysing contemporary world dynamics in the mirror of IMT. It reveals the presence of global institutional cycles and encourages the stabilising character of the bipolarity between the X- and Y-matrix countries. In the latter case, bipolarity means the permanent representation of two groups of countries and states on the world scale according to X- and Y-matrix institutional structures. Thus, it deals not primarily with political opposition, "antagonism of fundamental interests" or an ideological fight between two groups of countries, but rather with their complementary and dynamic interactive co-existence. The book outlines a scale of ratios among the X- and Y-matrix countries over different historical periods. This is done by analysing the long-term dynamics found in a database that generalises the main economic index (GDP) across the X- and Y-matrix countries for almost 200 years. The Maddison Project Database (2010) provides the data source, which was used to compare levels of GDP in millions of dollars (USD, 1990 base year). The data used for 2009–2013 came from the World Bank

(*World Bank Database, 2014*). The Chapter presents reasoning for selecting this period for calculation and criteria for a sample of the specific countries included in each group, where X- or Y-matrices dominate. The results are shown below in Figure 6.
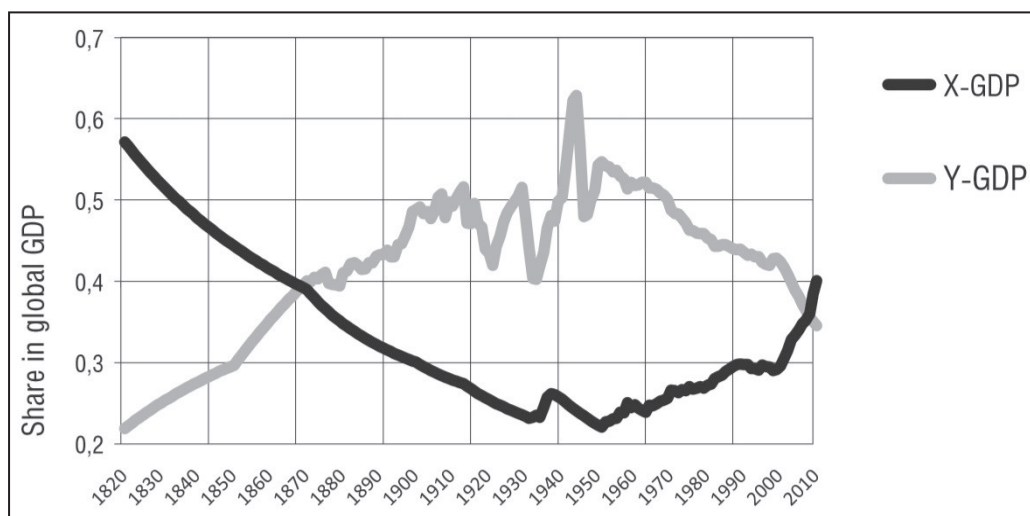

Figure 6. *Countries with predominant X- or Y-institutional matrices combined as a ratio of world GDP %, 1820–2013*

The selected countries produced at least 75 % of world GDP. Countries with predominant X-matrix institutions include China, India, Brazil, Japan and countries of the former USSR, or the Russian Empire. Countries with predominant Y-matrix institutions include European countries — Austria, Belgium, Great Britain, Germany, Denmark, Italy, Netherlands, Norway, Finland, France, Sweden, Switzerland — as well as Australia, New Zealand, Canada and the USA.

The two curves (total share of GDP of selected X-matrix and Y-matrix countries) indicate a wave (cyclical) process. A 140-year wave is observed from the available data, with changing world leadership. In 1820 (and before, see *Frank, 1998. P. 126*), X-matrix countries led the world's GDP. Since 1870s Y-matrix countries start to dominate, producing more than half the world's GDP. The largest gap between these groups of countries was observed in 1950–1960, and then in the 1970's it started to reduce. Since 2008, X-matrix countries once again statistically returned to hold the leading positions, exceeding Y-matrix countries in GDP production. And according to the recent World Bank data for 2009-2013, this gap is gradually increasing.

Thus, we can roughly perceive the changing global configuration of the main countries in the world economy. The predominance of X-matrix countries in world GDP is also accompanied by the growing significance of X-matrix institutions in Y-matrix countries. One example of this, following the financial crisis of 2008–2009, the strengthening of state control and centralized management following an ideology of "common survival" become more and more popular even in Y-matrix countries.

The fluctuating waves of institutional dynamics are observed not only on the global, but also on the national levels. The search for balance in predominant and complementary institutions occurs under the influence of both external and internal reasons, which become strategically important for each country. This fact is becoming more comprehensively understood by politicians and scholars. Thus, in speaking of economic policy in the third millennium, David Colander writes that the «modern approach to policy built under the principle of the «correct institutions» replaced the policy of the «correct prices»» (*Colander, 2006/2000. P. 390*).

The dynamics of institutional balances is demonstrated by N-P cycles, or cycles of nationalization (N) – privatization (P) in the countries of Latin America (*Polterovich, 2012. P. 30*), by industrial policy in Japan, reforms in modern China, the well-known

"new course" of Theodore Roosevelt in the USA, on-going discussions of "Slavophiles and Westerners" in Russian policy, as well as other examples analyzed in the book.

The final Chapter 12 (also added after previous editions) attempts to organise and summarise the corresponding discussion with readers of the book. First of all, it provides answers to frequently asked questions (FAQ) or to questions that were repeated in different auditoria during the years that passed since publications of the editions in 2000 and 2001.

Secondly, the problems and challenges of applying IMT, or X&Y theory are discussed and its limits and restrictions of use are defined.

A first restriction is connected with the fact that the category of institutional matrices is appropriate, first of all, *for historically stable communities* and peoples that have their own territory and permanent history. These are nations, which have preserved the contours of territorial and political integrity historically. At the same time, IMT does not apply to pre-state forms of social organization (tribes, clans, etc.), which, have generally disappeared. Secondly, X&Y theory is only loosely applied to the study of small countries, especially those which border on states or groups of states with a different predominant institutional type (e.g., Baltic countries).

A second restriction is connected with the *structural* approach to society as an investigative focus. Attention is placed on structural characteristics, which means that the initial point of investigation is static. The dynamics in this case appears as institutional structures are built and develop. Such an approach is sufficiently widespread in social sciences. August Comte, for example, introduced the formula "progress is the development of order". So static social structures are detected by IMT, which means social dynamics may be considered as the preservation or change of social structural solidarity in space and time. The main focus for X&Y theory is therefore to identify the continuity of social relations and their influence on subsequent social development through structural relations. This structural static-dynamic axiom restricts the application of X&Y theory from analysing other driving forces of social-economic processes connected with the activities of individuals and groups of people in historical processes, for which other research approaches are more productive. Even though IMT permits us to discover the "corridors" of developing definite nation-states and institutions, it does not provide sufficient tools for explaining specific ways to organize (or if organization is possible) movement along these corridors.

A third restriction is laid on the time periods of structural change processes for which it is expedient to use IMT. It had tended to work ineffectively for "situational analyses" of sudden or short-term (in historical terms) social phenomena. At the same time, X&Y theory possesses rather good heuristic possibilities for explaining the dynamics of gradual or long-term processes retrospectively as well as prospectively. It also permits finding out about multiple appearing institutional forms, which possess the greatest probability to fix existing social and economic as well as political structures and for which it is possible to expect wide public support. The criterion for this is usually conformance to the historical-national institutional matrix and its composition in forming proportional institutional balance. Stated differently, IMT successfully explains human institutional environment as a selection factor for definite practical solutions, but it is not as effective explaining the features of human choices.

The general methodological difficulties in applying IMT are also pointed out. They connect with situations in which IMT opposes the predominant economic and social scientific discourse, which is based on the principle of *methodological individualism*. Instead, a much less widespread principle in economics and sociology of *methodological institutionalism* (*Keizer, 2007; Kirdina, 2013*) is the conceptual prerequisite of X&Y theory. Methodological institutionalism is understood as an approach investigating any social, including economic, systems from the point of view of the formal and informal rules (institutions) supporting its integrity, development and *explanation* of public notions in the terms of functioning and change of the institutional structure.

The fact that methodological institutionalism is an intended pre-requisite is not a typical principle in economic and social sciences restrains the possibilities of applying IMT, especially outside of X-matrix nation-states. Nevertheless, the theory has an open future for global scholarship, a part of which, we believe, is here already.

The **Conclusion** considers the significance of IMT or X&Y theory for understanding and forecasting the social and economic development of Russia and offers a brief comparative analysis with world trends.

The book references include more than 800 sources in Russian and English for the period from 1868 till 2014. As well, a "Terms Tree" of IMT or X&Y theory and a Glossary are added in the book.

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