

Summary

Cost Efficiency of Russian Commercial Banks in Homogeneous Groups

Belousova V.Y.

The aim of this paper is two-fold. First, we estimate cost efficiency of Russian commercial banks using stochastic frontier analysis with output quality and risk factors applied to the data of Russian banks. To divide Russian commercial banks into the homogeneous groups we use Pareto distribution of banks' total assets. Medium banks are seemed to be the most cost efficient. Large banks have the lowest level of cost efficiency.

Second, we explain the variations in cost efficiency among the banks' homogeneous groups. To do this we introduce CAMEL variables as well as ownership type of the Russian banks. We find that some factors, in particular, equity to asset ratio, ratio of nonperforming loans to total loans, liquid assets to total assets ratio significantly influence cost efficiency of the banks in the Russian Federation. In addition, when banks' intermediation level increases, cost efficiency of small and medium banks becomes higher. Medium banks having foreign investors tend to be more cost efficient in comparison with other groups of banks.

In order to raise the minimum level of capital for small banks the supervisor should perhaps pursue M&A of these banks to medium banks. This type of M&A could be productive, because medium banks are the most cost efficient ones.

Econometric Analysis of the Efficiency of Advertizing: Case Study of Telecommunication Company

Trutneva E.A.

The article covers applied research results of advertising influence on key business indicators estimation through econometrics methods considering Russian data specific. Detailed analysis of advertising efficiency concept is provided; modern principles of advertising exposure planning, which perceive advertising expenditures as an investment aiming on business indicators development are widely discussed.

Key steps of the methodology are described on case of real telecommunication company operating in Russia.

Information sources and the most employed types of surveys on Russian and international markets are overviewed.

The results of introduced approach provide not only insights regarding post-campaigns efficiency evaluation, but also form the basis and leanings for further strategic and tactical communication efforts planning.

Exploring Individual Demand for Cigarettes in Russia

Zasimova L.S., Lukinykh O.A.

The paper discusses how increase in tobacco prices could reduce smoking in Russia. We analyze the determinants of tobacco consumption within rational addiction model and myopic addiction model. We use RLMS panel data (1994–2006) to prove rational addictive behavior of Russian smokers: they evaluate future changes in cigarette prices with respect to personal incomes and decrease/increase cigarette consumption according to future cigarettes affordability. It means that expectations about cigarette prices and personal disposable income can affect current consumption. However low price elasticity together with possibility to switch to cheaper brand set limits for policy interventions.

Employment Protection Legislation and the Labour Market: A Cross-country Evidence

Mironenko O.N.

The paper contains a review of the main theoretical models and cross-country empirical results concerning the impact of employment protection legislation on employment and unemployment. It is widely accepted that strict employment protection (i.e. constraints on hiring and firing) is responsible for labour market inflexibility and high and persistent unemployment in European countries in comparison with the USA. At the same time there is no theoretical or robust empirical evidence that employment protection directly influence unemployment, although there are much more findings that it decreases employment-to-population ratio in developed countries. One of the possible reasons for these inconsistent results is shortcomings of cross-country analysis which should be taken into account in political recommendations.

Impossibility Theorem in Proportional Representation Problem

Karpov A.V.

The paper studies proportional representation systems according to rational choice models approach. The first part of the paper describes main proportional representation procedures (largest remainders methods, divisor methods, quota method and also ordinal methods including single transferable vote). The study examines general axiomatics of Balinski and Young and analyzes existed proportional representation methods using this approach. The second part of the paper provides new axiomatics based on rational choice models. New system of axioms is applied to study known proportional representation systems. It is shown that there is no proportional representation method satisfying a minimal set of the axioms (monotonicity and neutrality).