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ABOUT THE ORGANIZATION OF THE SYSTEM OF INSTITUTIONS SMALL LOAN IN THE NOVGOROD REGION

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Novgorod region is among subsidized and cannot expect a significant inflow of funds from the field or from the state budget for the development of its economy and, in particular, of the agricultural sector. On the other hand, the experience of pre-revolutionary reform of agriculture shows that a simple infusion of money or land redistribution will not have a significant lasting effect. Existing community ideology (in some degree facilitated the victory and the collective farm system) is not very valued private property and public Finance. More effective Zemstvo workers believed the inculcation of agronomic knowledge, legal culture and skills of financial and trading activities. In this respect it may be useful experience numerous credit institutions, serving their clients, including on the basis of reciprocity and cooperation.

However, from their experience, it follows that not all categories of urban and rural population coming under a mortgage or commercial loan. First of all, those who are not engaged in active business activities. They, as well as persons of middle and lower income cannot be considered potential customers of major credit institutions. However, in need of funds, they nevertheless are forced to take loans and advances secured (especially when it comes to large amount), such as apartment and in case of failure to lose everything.

To avoid such cases seems necessary the development of a network of small (including cooperative and joint-stock credit institutions established on the basis of reciprocity. In Novgorod for the past several years, there are consumer cooperatives, mutual credit and credit cooperative, though this is not enough, though.

However, to serve all people in need of loan to its citizens (and in certain cases, and villages), they will not. People with low incomes and the unemployed will not be able to use their services. In this case, this niche should take, for example, municipal pawnshops. In the current difficult financial situation however, they can become numerous cooperative and charitable loan without significant outside assistance.

In this respect seem feasible for two ways to increase their numbers and enhance their speed. First, the attraction of private funds with loans and savings. However, in this respect, there remains a risk of unexpected financial difficulties and insolvency in case of a sudden massive withdrawals of deposits (for example, during crises) or falling into dependence on the source of loan for the development of capital. Secondly, and this seems more reasonable, the possibility of obtaining loans from public sources on concessional terms, such as ' loans and long term. In the case of supply agencies small loans state loans the government gets the ability to control their operations and to help if necessary.

The experience of the rise and fall of savings and loan associations in 1870-1880-ies shows that their guardianship of the state or municipal financial bodies should be permanent and effective, but not be limited to a one-time grant funds. It is not only and not so much about the regular audit of the accounts, how about simplifying the possibilities of formation of such institutions, and, as one of the main - supply their competent and responsible staff accountants and other similar employees and constantly improve their qualification and professional level. The moderating role of the state should focus only on limiting the size of risky operations and the financial flows (i.e. the target).

Involvement of public funds on favorable terms and has the advantage that it will reduce interest on loans and credits, which are currently quite high. For comparison, the State Bank in the 1880s levied on these transactions 2-4 %, even the weakest urban public banks Novgorod province - not more than 15 %.

A niche for the poor must complete alternative lending institutions that provide financial assistance on a charitable basis, but not having a form of charity, for example, municipal pawnshops. They urban and rural residents could lay any thing and not just valuable. In the future, the municipal pawnshop may not aim at commercial gain, putting the interests of the poorest sectors of the population above it. Lombard percentage should be moderate.

The statutes of all credit institutions should have (and in certain cases and mandatory) deductions for charitable and public purposes. An exception may be only a small partnership or young, weak credit institutions. Naturally, in this case, it is necessary to reform the tax laws, again typing in the benefits of philanthropists (individuals and legal entities).

In conclusion, it should be noted that reforming the financial sector provincial loan is impossible without developing at the same time and local production, infrastructure, transportation, as these spheres of economic life and will need to become major consumers of cheap and available credit, thereby reviving the economic life at its "original" level.