

Institutional foundations of the influence of the expansion of Islamic States on the evolution of the transit economy

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Abstract

The research aims to identify, describe and analyze the institutional foundations of the impact of the expansion of Islamic States on the evolution of the transit economy in them and around the world. **Goal.** Develop a system of arguments and proposals for the evolutionary development of the transit economy in Russia and other countries, not only in close cooperation with the Islamic States, but also on the institutional basis of the Islamic economy. **Tasks.** Identify and study the institutional foundations of the Islamic economic system (IES) and develop evidence-based recommendations for their application in Muslim and non-Muslim countries at the present time, primarily in the field of transit economy development. Describe the historical background and current state of the IES as a transit system in the broadest sense. Consider the Islamic States of Western Asia as major and active participants in the global financial market and sources of investment in Russian infrastructure projects. **Methodology.** The research uses the methods of evolutionary and institutional theory, the theory of production and technological balance, world-system analysis and historical approach. **Results.** We have identified, analyzed and systematized the IES institutions that influence and have the ability to influence the development of the transit economy in any state and region. It was noted that the creation and operation of development institutions, Islamic industrial and construction banks that invest in the implementation of innovative infrastructure projects is a key element of the development of transport and transit systems. It is emphasized that the formation of an international Islamic economy, the Islamic world, and a renewed Islamic civilization contributes to the erasing of borders, the facilitation of commodity movement, and the destruction (sharp reduction) of distances. **Conclusions.** It looks prospective to build an ideal model of the Russian economy based on the principles of the IES. A thorough analysis of the structural and technological processes that will accompany the inevitable reindustrialization of the Russian economy at a new technological level is necessary. In line with the Islamic economic model is the expansion of trade between the Islamic States, the growth of specialization of their national economies with the participation of Russia. At present, the development and application of institutional and organizational tools for resolving the contradiction between personal and social benefits and establishing justice, the formation of a third way of socio-economic development of the modern world, the creation of a non-centralized system with a strong regulatory role of the state and religious and moral restrictions is of particular and urgent importance.

Keywords: *transit economy, trade routes, innovation and industrial belts, Islamic economic system, institutions, transaction costs, property rights, West Asia*

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