

From Globalization to Normalization

Some patterns and associated trends in the world around us often reveal themselves in seemingly distant sides of reality. Among them, there is a fact that during a crisis (a sickness, a catastrophic development of this or that process) we have not only destruction (death) of some components of a system (social, biological, geological, etc.) but also formation (emergence, development) of elements and components of its future image.

The current situation once again provided us with a convincing proof of the unity of matter around us and interconnections of various sides of its manifestations. The coronavirus pandemia highlighted not only problems and issues of human knowledge on biochemical processes, the medicine of catastrophes and emergency management skills but also those lying in the area of international cooperation in politics, economy and the humanitarian sphere as well as those concerning social and economic development of some countries.

It is remarkable that in the case of socio-economic systems and in the instance of separate human organisms we observe a wonderful similarity in the courses of pathological process. In particular, this manifests itself as highest susceptibility to destructive crisis phenomena in people with chronic diseases and countries with outdated structures of economy. Both the crisis and the pandemia reveal recurrent problems and actualize the need of urgent measures not only to cure the sickness but uproot the deeper causes of the dire situation.

The essence and manifestations of the disease that invaded our country's economy and is negatively affecting many facets of our society are well known and taken apart in papers of many of our colleagues. It may be summarized as an outdated economic structure and a low level of production technology. Its external symptoms are low competitive capability versus developed global economies, poor inclusion in world-wide value chains, susceptibility to volatility, impossibility to create and maintain worthy living conditions for the actual and future generations of our citizens.

There is complete unanimity about characteristics of this disease in the professional and political sphere. Differences start only when we talk about methods of its cure.

The position of the author of these lines (as well as the authors of the current collection of papers in ECO) consists in believing that the ‘patient’s condition’ is being aggravated as a result of hasty, badly coordinated and poorly arranged in time and space steps (including joining the WTO), without proper consideration of their long-term results.

The global world is rapidly ‘changing skin’ under the influence of technological changes (from Elon Mask’s rockets to artificial intelligence in various areas). In this sense, the coronavirus pandemia is playing the part of a trigger – accelerator and normalizer of processes that are instrumental to their rapid implementation in everyday life and practice.

However, one finds it hard to agree with an opinion that an accelerated fall in demand for traditional Russian exports – oil, gas, coal (and so on along the list of raw materials) is linked to the pandemia. The fall of demand and prices is a logical result of modern technological development and change of interaction procedures between enterprises in the modern economy of knowledge. In this vein, our authors’ idea of generating ‘new raw material goods’ in Russia seems fitting (the paper by D.A. Beresneva and V.V. Shmat). Russia is still fabulously rich in ideas and minds, but there is a huge distance from brilliant projects to results of their mass implementation and real effects on conditions of people’s lives.

The economy of our country from the point of view of its role in the global system is undoubtedly the one based on raw materials. However, there are some hi-tech sectors (mostly defense-related) that make it comparable to some highly developed extractive economies such as Australia, Canada and Norway (the paper by A.N. Lyakin).

The hallmark of the actual approach to Russia’s inclusion in the global economy consists in forming businesses’ aspiration of return on investment and getting financial rewards here and now. That is why, the owners of assets in export-oriented sectors strive for maximum profitability of export operations and are completely oriented on sales of raw and unprocessed materials. Questions of raising a scientific and technical level, creating one’s own unique and effective decisions as a rule have a very low priority. “A high share of hydrocarbons and

other raw products in the Russian export in conditions of a practically open market has led to replacement of domestic products by import” (the paper by M.S. Gusev).

Among the principal reasons of the status quo, we see a low level of trust of business towards the authority and vice versa that is embodied in an inflexible and fiscally-oriented taxation system. Overcoming this distrust requires reforming the system of institutions and norms that determine and regulate economic processes as well as their normalization concerning substance, objectivity, and vision of long-term prospects. It also embraces solving the country’s internal development problems and its inclusion in global processes.

Shaping and implementing a clear, consistent and uncontroversial scientific, technological and industrial policy must be among the first measures of curing this disease. It is not possible to build a modern economy through yet another currency devaluation and cutting labor costs (the paper by A.N. Lyakin). Such a solution would leave us face to face with a ‘low income trap’ (according to the definition by A.R. Belousov).

Sustainable and progressive development of our economy must be based on investment into renewal of fixed assets and development of human capital. Only this foundation may enable a shift from the economy of demand to an economy based on supply and growing competitive performance.

But if principal efforts and most financial resources are channeled at ‘saving’ another prestigious ‘national level’ project tied to resolving a narrow isolated task and loss of the internal market at the expense of the external there is a high risk of scenarios ‘In the sticks’, ‘Resource land’, and ‘Facing the East’ (the paper of D.A. Beresneva and V.V. Shmat). The results of the country’s development along that way in the best case ‘do not aggravate’ the country’s position in the appropriately globalized world.

Crisis is the time to rethink what has been done and implement steps and measures that might shape a vector of sustainable development of the country’s economy for many years in advance. An important condition for reaching success is a strategic vision of directions of development, understanding of the present and future place in a changed external world, rejection of dogmas and illusions of development on the basis of and on account of self-regulation of economic processes. Russia as a whole and the majority of its citizens

have paid too dearly for these truths. We are not impartial as to in whose interests and with what commitment a new structural policy will be implemented. The results of resolving problems of socio-economic development of our country like never before depend on existence and efficiency of procedures of reaching real consensus and agreement of government, business and society.

Editor in chief of ECO

A handwritten signature in black ink, appearing to read 'Kryukov', with a long horizontal stroke extending to the right.

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