

Symptoms and medications

Russian people are hard to surprise with discussions about unique periods when they happen to live and work. The experience of our whole country is second to none and not to repeat – first building a communist society, then ‘capitalism with a human face’, and now confronting the pandemic and growing pressure from outside. On the whole, the picture of the real world we face is indefinite and very multi-faceted.

Under these conditions, we have to arrange some order and make manageable at least the things that surround us. So, with the pandemic, we see a fast-spreading practice of low-contact forms of physical interaction in all areas of social and economic life. This circumstance, as we know, opened the door for the proliferation of forms and means of distance communication and remote control resulting in the trend for autonomization of some components of complex socio-economic phenomena and processes.

The same is observed at the inter-country level. In the last two years, practically all states discovered a drive towards higher autonomy and lower intensity of contact with the outside world¹. This is probably somehow related to the universality of natural laws and the physical arrangement of the universe.

At the same time, the processes of the falling intensity of external contacts feature specific sides at all levels – from countries and regions to sectors and enterprises.

Thus, pandemic challenges stimulated real steps in the economic policy of various countries towards localization. Previously, everywhere including Russia, the dominant thinking approved global market competition – the more the better. Localization issues in the area of domestic economic policy were based on political considerations – strategic security and sovereignty. The pandemic forced us to revise notions of security.

¹ Lionel Israel Commentary: Local content strategies must evolve to support sustainability. – May 29th, 2021

URL: https://www.offshore-mag.com/business-briefs/article/14204306/commentary-local-content-strategies-must-evolve-to-support-sustainability?utm_source=OFF+International&utm_medium=email&utm_campaign=CPS210712130&oid=3445H6683990G1B&rdx.ident%5Bpull%5D=omeda%7C3445H6683990G1B&ly_enc_id=3445H6683990G1B

The symptoms of excessive dependence of any country's economy on external supplies are thoroughly studied as well as the medicine that this 'disease' may and must be treated with. This includes not only customs barriers and various forms of support of domestic producers but, what is more important, shaping a robust domestic market. First of all – the market of engineering and manufacturing purpose products and scientific services. Moving in this direction presumes scrupulous attention to questions of their effective organization and promotion.

In Russia, the tasks of localization as well as the overall development of engineering and manufacturing potential of various sectors of the economy are supposed to be resolved through national projects. The most difficult thing in this case, as we told once and again on the pages of 'ECO' is to be able to see both the forest and the trees. On the level of a particular investment project, there are often intersecting spheres of influence that belong to several national projects albeit not having impersonal or generalized character but quite concrete contents. It makes no sense at this level to employ, for instance, the notion of a localization share in the general expenses of this or that product (service). The decisive factor is the scientific-technical level of a particular effort from the point of view of its impact on changing the features (properties) of technology under development or created product.

How far the preoccupation with general indices can take us is described on the pages of the current topical selection of our journal. Thus, in the chemical industry, the strongest negotiating position in relation to the authorities belongs to manufacturers of low and medium process stage (the paper by Yu.V. Simachev, A.A. Fedyunina, A.V. Volkova).

The issue of unresolved questions concerning interconnection and interdependence of actions in the process of localization has become particularly acute in the pandemic period. 'Before Covid', the problems of localization have been discussed countless times – with solutions and support measures 'galore'. However, little has changed in the number of critical technologies and directions of research and technology advancement. In the car industry, requirements to raise localization and bring to Russia stages of production chain has not built a new technological outlook of the industry (the paper by Yu.V. Simachev, M.G. Kuzak, A.M. Butov).

The situation in the pharmaceutical industry is reverse but it brings the same result. There, we have state support for a definite product or service with no ‘regulation of the whole value-added chain – from raw material production to delivery of pharmaceuticals to the end user’ (the paper by T.G. Dolgopiatova, A.A. Fedyunina, and A.G. Nazarova).

The pandemic urged a whole range of important decisions in the area of localization. Among the latest initiatives one may note, for instance, projects to manufacture domestic equipment for liquefied natural gas (LNG) production², to develop oil and gas machine-building³. These projects are not about a ‘gross share’ of localization but particular technologies and approaches to resolving production-technical and business tasks. These are based on a vision of the entire chain – from creating new products (services) to areas and scales of their future application.

The current issue reviews cases of adaptation in three crucial sectors of the national economy (car industry, chemicals, and pharmaceuticals) to the situation caused by the pandemic in the last one – one and a half year. From our point of view, these three cases showcase not so many losses and opportunities that sprang from the corona crisis as about time lost in terms of overcoming those structural and scientific-technical problems that had risen long before the infection shock. The pandemic has in a sense demonstrated once again the need for a systematic and coordinated approach to resolving tasks of raising the scientific-technical level of domestic products in a close connection with their promotion on the internal market.

The symptoms of the condition and impact of the national scientific-technical level on the socio-economic development of the country are well known. Fighting their negative effects is possible only through consolidation of efforts – from overcoming “multiplicity of regulation and lack of coordination between sectors

² *Smertina P.* Minpromtorg suggest putting 127 bln Rub. In localization of equipment for LNG//Kommersantъ. 09.07.2021. # 118

URL: <https://www.kommersant.ru/doc/4890756>

Krasinskaya A. ‘Novatech’ plans to develop low-tonnage production of LNG. 15 June 2021.

‘Novatech’ plans to develop low-tonnage production of LNG (argusmedia.com)

³ Minpromtorg approved a plan for import replacement in the oil and gas machine building until 2021. 15 July 2021.

Minpromtorg approved a plan for import replacement in the oil and gas machine building until 2024 (tek-all.ru). 15.07.2021

pursuing various goals” (see the paper by T.G. Dolgopiatova, A.A. Fedyunina, and A.G. Nazarova) to resolving real scientific-technical and structural problems of our economy including creation and promotion of new technologies, goods, and services.

The symptoms of sickness in the economy of Russia are clinically observed and followed. Its organism is fighting but one would want to find effective medications not just to overcome chronic ailments but to ensure stable and healthy growth for years ahead.

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