

ISCKMC 2020**International Scientific Congress «KNOWLEDGE, MAN AND CIVILIZATION»****MEDIUM-TERM PROSPECTS OF RUSSIA: DEVELOPMENT
POTENTIAL AND SYSTEMIC CONSTRAINTS**

Sergey Yakovlevich Suschiy (a)*, Dmitry Igorevich Uznarodov (b)

*Corresponding author

(a) Federal Research Centre the Southern Scientific Centre of the Russian Academy of Sciences (SSC RAS),
Rostov-on-Don, Russia, SS7707@mail.ru,

(b) Federal Research Centre the Southern Scientific Centre of the Russian Academy of Sciences (SSC RAS),
Rostov-on-Don, Russia, uzn-dmitrij@yandex.ru

Abstract

The article analyzes medium-term prospects of Russia. It was concluded that the range of opportunities for its development is limited. The main systemic constraint on the socio-economic growth is sociodemographic characteristics of the population: a small number of population for its vast area, a high level of education and sociocultural modernization, concentration of people in cities, and a high median age. In these conditions, the central source of development is improvement of the efficiency of the management sphere, combating its systemic shortcomings, and completing structural reforms. But even the most optimal use of administrative, natural, demographic and economic resources will not allow Russia to become a center of the global economy. The lack of resources for achieving economic and technological domination reduces chances of Russia to become a subject of global social projection. But the likelihood of a new serious crisis is minimal in Russia. The modern Russian government focuses on the stability in society. Security is a high systemic value. This strategy, limiting the pace of innovative development, ensures the social and political stability of Russian society. The most probable scenario for the medium-term development of Russia is preservation of the existing trajectory characterized by high political, financial and economic centralization of the country, strong presidential (executive) power, and bureaucracy; powerful geostrategic potential and centers of the global political influence; enclaves of the world-class scientific development (mainly in the national security field); the economy with a powerful military-industrial system and a number of other high-tech segments.

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1. Introduction

The general characteristics of the Russian Federation and its systemic position in the world community inspire respect. The largest country having enormous natural resources, it ranks the ninth according to the number of population. It is the sixth economy in the world, the main competitor of the United States in the military-strategic sphere. The achievements of Russia in culture, science, high technologies, and sports are significant. But there are many other (including important socio-economic) indicators according to which Russia is in the middle of the world ranking or closer to its end.

The duality of Russia's position in the modern world system is obvious. Moreover, its simultaneous belonging to different levels of this system has been traced for more than one century. As N. Nekrasov pointed out, "you are poor, you are abundant, you are powerful, you are powerless, mother Russia". This statement is relevant even now.

2. Problem Statement

The reasons for the dual systemic status of Russia in the world community are an issue that goes beyond the scope of this article. The article focuses on this quality of Russia that can be preserved in the medium term. Will it be able, due to accelerated modernization, to become an integral part of the developed world or, due to a protracted socio-economic stagnation, it will it finally shift into the group of "third world" countries or retain its dual position in the world system.

3. Research Questions

The subject of the article is the systemic potential of development of modern Russia in its main structural components (administrative and managerial, sociodemographic, natural resource, economic, scientific and technological) and possible directions of its dynamics in the second quarter of the XXI century.

4. Purpose of the Study

The aim of this work is to analyze the main components of the modern systemic potential of Russia, acting as factors of its socio-economic development, and as reasons for its chronic lag behind the developed world; to study the dynamic ratio of accelerating and decelerating components of this influence.

5. Research Methods

The theoretical basis of the study is a general scientific system approach, concepts that have become widespread in modern social sciences, including the world-system analysis, the concept of "rut" (dependence of society on previous development), theories of globalization and post-industrial development.

6. Findings

The geographical location of the historical core of Russia made it a deep political and economic periphery of the world community. It is a northern sparsely populated country that emerged in the border zone of a number of civilizational areas, with a complex history of formation, in which there was a two-century period of foreign domination. It simply did not have resources for intensive internal social, economic and cultural development (Lieven, 2003).

The very possibility of the independent existence has been questioned. The systemic response of the Russian society to the “challenges” of history was multi-component. Political and administrative centralization, creation of a rigid management vertical, overconcentration of the financial and economic resources by the highest power and, finally, an external expansion algorithm, which made it possible to compensate for the deficit of internal development (Vavilov, 2015).

At all possible costs, this toolkit allowed Russia become one of the leading political centers of Europe, while remaining its economic semi-periphery.

A stable "development track" was formed (Ilyin, 2017). The Russian state remained in this track until the end of the imperial period. It returned into it after the defeat of the Soviet project, which allowed the USSR to become one of the socio-economic and sociocultural leaders of world civilization for a short time.

According to Auzan (2007), the track of development is a system-wide inertia that keeps a society on a certain trajectory, not allowing it to move to the group of more developed countries. But the concept of a track can also be defined more broadly, as a corridor of opportunities formed by the entire historical dynamics of a given society, regulating, directing, limiting central vectors and the pace of its further development in the main spheres. But the "rut" also manifests itself when new serious threats to society appear – its power elite uses the methods for overcoming social problems that have already been tested in the past. Obviously, this approach is far from optimal. Historically, in new circumstances successful responses may not work and further worsen the situation in society. But it is difficult to imagine that the elite that has fallen into a crisis does not try to use traditional ways of getting out of a difficult situation.

By varying the elements of its traditional anti-crisis tools, the Russian government managed to politically and socio-economically stabilize the country. Does this toolkit, allowing the modern political team to ensure the systemic security, allow Russia to develop? (Inozemtsev, 2007).

The conditions that determine the success of development of each state are multiple, and their ratio is always unique. By determining the central factors of the social dynamics, it seems possible to dwell on its power potential and resources. The power potential means the ability of top managers to ensure the sustainable development of society. The resource complex is aggregate capabilities of the country: the volume of natural, socio-demographic, socio-economic, socio-cultural resources, of which the human capital is important (qualitative and quantitative characteristics of the population) (Becker, 1964).

An analysis of activities of the Russian government in the 2000–2010s reveals the complex dynamics of its managerial efficiency. The effectiveness of the administrative and managerial apparatus in the first half of the 2000s (distinct from the first post-Soviet decade) improved and the efficiency of managerial practices was declining since the mid-2000s until the Ukrainian crisis. There was some improvement in efficiency since the mid-2010s, which, however, turned out to be lower than expected

(Suschiy, 2015). As a result, both the list of achievements of the Russian government and the list of failures are quite voluminous.

During 2000–2010s, the authorities managed to raise the living standards of the population, integrate its political and legal space, restore the administrative vertical and strengthen Russia's defense capability, launch a number of large segments of the national economy, including the e military-industrial complex and Agroprom, into growth; consolidate Russian society, neutralize terrorist-separatist forces in the North Caucasus, and mitigate the demographic problem.

Over 20 years, the country's political leadership failed to implement many structural reforms, solve the problem of systemic corruption, reduce the tax burden on business and the scale of government interference in business activities; carry out a deep diversification of the national economy, achieve the outstripping growth of innovation clusters and increase their share in the economic structure (Inozemtsev, 2007). In recent years, the number of Russians living below the poverty line has increased. At the same time, the problem of growing property stratification of the population has not been solved.

The reasons for these managerial failures are multiple. Among them is the unwillingness of the Russian authorities to solve many problems in order to preserve their privileges. The lack of professionalism is one of the reasons. The limited resources of the Russian state and society, as well as difficult circumstances of Russia's development, tough confrontation with the United States and the European Union are also important.

It is hardly possible to weigh the significance of each of these factors. Moreover, their ratio is dynamic. The limited managerial efficiency is not an exclusive feature of the Russian government. The socio-political and economic dynamics of the European Union or the United States provide many examples of poor management decisions, the inability of the authorities to solve pressing problems (Kapelyushnikov, 2015).

It is indicative that not only Russia with its complex of unresolved systemic problems, but also the developed countries of the West, which have gone through a full cycle of structural reforms, have a powerful infrastructure and transport logistics, a developed judicial and legal system; having a low level of corruption and inflation, are not able to demonstrate the sustainable GDP growth above 2–2.5 % (for many Western countries this level is unattainable) (Gordon, 2014). And the short-term growth rate of 3.5–4 % becomes a matter of national pride.

In the modern world, there is a very limited group of countries capable of ensuring the economic growth at the level of 5–8 % for 10–20 years or more (The Atlas of Economic Complexity). Despite all the differences, they have one systemic similarity. The central (not always sufficient, but absolutely necessary) resource for their sustainable, rapid economic growth is the presence of a vast stratum of rural population who can be included into the modern economy.

The developed countries do not have such a labor resource. The socio-demographic characteristics of the population and modern Russia are radically different. More than $\frac{3}{4}$ of Russians are city dwellers. Moreover, the level of urbanization of 70 % was achieved half a century ago (World Data Atlas). The most significant part of its population is urban dwellers, at least in the second / third generation (people with urban mentality and a modernized lifestyle).

In the world education ranking, Russia is in the group of leading countries. Among Russians aged 24–65, 56 % have a higher or specialized secondary education (the average indicator for OECD countries is only 37 %). In 2015, the median age of Russians was 38.7 years (World Data Atlas); currently, it is close to 40 years. This indicator is typical for developed countries, like most other demographic characteristics of the Russian population (the fertility rate, the average number of births per woman, the divorce rate, etc.).

Thus, when assessing the potential growth prospects of the Russian economy, it should be remembered that it is a modernized society with minimal free demographic resources. Educated, aged citizens who make up the majority of Russia's population are not suitable for the protracted economic "leap". Possibilities for attracting external labor migrants of the required socio-professional level and socio-cultural quality are extremely limited.

In such conditions, 1.5–2.5 % of the average annual growth of national GDP, typical for the developed world, is the most probable level for the Russian economy (The Atlas of Economic Complexity).

Another 1–1.5 % to this indicator could be added by complex targeted efforts of the effective management apparatus. In other words, no matter what part of the ideological and political spectrum (liberal, communist, national-patriotic) the current or future leadership of the country belongs to, 3–4 % is the highest level of the Russian economic growth.

Modern Russia is not able to repeat a protracted socio-economic breakthrough similar to the Chinese or Indian ones. In Russian history, there has already been a period of long and rapid economic growth (late 19th – the first half of the 20th century), whose central demographic source was the peasantry. This human resource was almost completely exhausted by the end of the 1970s.

It is obvious that the modern Russian leadership does not believe in the ability of Russia to become a group of global geo-economic centers. The declared in the early 2000s general policy of moving away from the raw material model of the economy turned into a powerful development of the pipeline network intended for exporting primary hydrocarbons.

All other areas of the extensive use of natural resources of Russia and its territory (growth of transcontinental rail traffic, development of the Arctic and the Northern Sea Route, etc.) have become important.

The position of a "supplier" of raw materials is attractive not only for the third world countries. The United States is striving to become leading exporters of hydrocarbons.

But the Russian economy is not limited to the raw materials segments, preserving developed industrial clusters since the Soviet era, including in the electric power industry, metallurgy, and mechanical engineering. The country has a powerful military-industrial complex and agroindustry. The overall scale of the Russian economy also remains significant. According to the expert PwC forecast, despite the growth rate of 1.5–2.5 %, it will remain the sixth largest economy in the world. In 2016–2050, the rate of Russian GDP for will grow from 3.7 to 7.1 trillion USD.

The situation in the field of research and development remains ambiguous. The Russian leadership does not believe in the comprehensive restoration of scientific and technological leadership that was lost

in the 1990s. The 2000–2010s R&D financing at the level of 1.1–1.3 % of Russian GDP (World Data Atlas) testifies to this much more reliable.

In the field of high technologies, the policy of the Russian government is largely determined by the country's existing position in the world system only in the geopolitical aspect. The strong effective army should be “smart”. And the status of one of the global geopolitical centers means that Russia is still included in the group of countries with a powerful and extensive high-tech system.

Russia has accumulated considerable experience in achieving world-class developments in vital areas directly related to the national security. There is no doubt that a wide range of military-industrial, nuclear power, space, and artificial intelligence developments will remain the main locomotive of Russian scientific and technological innovation in the medium term.

Russia can maintain and strengthen its position in the high-tech sector. The Russian level of dominance will not exceed a few percent. These limited research enclaves can allow Russia to maintain a high level of defense capability, competitiveness in the global markets for products of the Russian military-industrial complex and a number of civilian segments of the economy.

7. Conclusion

The authorities aim to strengthen the existing historical track of Russia, which is distinguished by the combination of political leadership and semi-peripheral economic status in the world system. This conclusion should not be considered an exclusively “accusatory” statement.

The track of Russia is not only evidence of its systemic backwardness and conservatism. It is its own production niche in the global economy. The very geography of Russia, its powerful natural potential and transcontinental scale historically determined the resource orientation of the economy and facilitate the reproduction of this line of development.

Entering any new markets means entering the fiercest competition, presupposes large-scale financial investment and long-term efforts without any guarantees of ultimate success. Meanwhile, providing the world economy with various resources, Russia is recognized as a significant participant in the global geo-economic processes.

It should be noted that, in contrast to the Persian Gulf countries, the range of raw materials "specializations" of Russia is very wide. The inevitable decline of the hydrocarbon era will not pose a lethal threat to the socio-economic system or state budget of Russia. Moreover, the transition to the "post-hydrocarbon" world will not take decades, allowing Russia to repurpose the line of extracted raw materials, while maintaining its position as a significant exporter of resources.

Thus, in the medium term (up to 2035–2040), it is necessary to follow the trajectory of Russia's development. In the sphere of international relations, it is necessary to retain the position of a world leader focusing on the military-strategic potential. In the economic sphere, it is necessary to retain the position of a resource-based power with science-intensive industries (nuclear energy, space, etc.). In the socio-political sphere, it is necessary to preserve the bureaucratic supercentralism with a tangible dominance of the administrative apparatus over civil society, strengthen its positions and ensure the political stability of the country.

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