

# Russia's Socio-Economic Development Strategy: View from the Future

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In this article, we will address only several key aspects of the huge problem.

The view from the future was obtained as we applied the new methodology for cognition of human community development regularities, and thus could proceed to an entirely new way of forming Russia's long-term development strategy.

Among many of my publications on this subject, a latest one – the book entitled as “Forecasting the Future: A New Paradigm” (“Economika” Publishers, 2008) – offers a rather detailed analysis of the new methodology for cognition. Therefore, this article would highlight only the main provisions of such methodology.

A noteworthy point is that development of the new methodology was not the author's end in itself. Rather, the essence of the contradiction, which arose in the course of the study, could be only disclosed when we realized that the found contradiction was of the systemic character and could be neither explained nor solved on the base of the available scattered knowledge.

Therefore, it was required **to unify them systemically through identification of the target development function of the entire system and any of its parts. That is, it was not only required to identify the goal of development, but rather the ultimate objective, which cannot become a sub-goal of the higher-objective. In other words, it was required to define the objective reason for development of the human system, and to understand that the purpose of human life is not to provide the GDP growth or to produce the maximal possible amounts of weapons for one's own annihilation.**

**The human person lives in order to develop and realize maximally his / her spiritual and intellectual potentials, and at the same time to build up the level of his / her consciousness and physical perfection.**

Further on, it was found that in order to assess objectively the system in relation to the identified objective, **the whole diversity of processes and phenomena could be analyzed in the prism of a sole index, the time.** By applying this index, we can measure all facets of human and societal life in time, to juxtapose them with the target ideal, and to identify at what stage of human progress it is located in relation to the ultimate objective.

Hence, we came to see that **the functional efficiency of the whole system and any of its parts could and should be considered through the sole criteria – that is, the time between emergence and satisfaction of a need of any human person. If such time tends to reduce continuously, the human system develops efficiently in relation to the objective.**

The new methodology for cognition helped to make the main conclusion: The future can only be forecasted from the future, in which the time between the emergence and satisfaction of the need, identified by the ultimate objective of development, would gravitate to zero. What would be the outcome of such approach?

Thus, from the zero time and space, we, proceeding from the shared point of view, can have an integral vision of any problem including the problem of formulating Russia's development strategy. As a result, right today, here and now, it would be possible and necessary to form Russia's socio-economic, political, institutional and science-tech development model that would be relevant to such future.

The current situation in the world and Russia is marked by rapid assault of financial and economic crisis along all vectors. The world, again, is faced with the situation, for which it is not prepared. And again, the events proceed along the well-known pattern: first, the hectic search of the guilty, then inventions of treatment prescriptions, which, at best, change nothing. As a result, the crisis situation is aggravated, and the search of the guilty starts again.

Even leaders of G-20 countries, at the Washington summit of November 15, 2008, recognized that they did not find an efficient mechanism to regulate the global financial markets and could not architect any measures to contain the decline of the world economy, and simply recorded that the world economy was sliding down toward recession. They hope to discuss specific measures to counter the world crisis at the G-20 summit that will take place in London in April.

By all evidence, the attempts being taken are to cure the disease by the method of trials and errors, without a profound theoretical realization of the crisis phenomena and hence without a guarantee of the full recovery.

Today, when the global economic crisis unfolded, the observers recall Nickolai D. Kondratieff, the author of big cycles of demand-and-supply. Under his theory, the current crisis is a breakthrough from the upward wave, which emerged in the late 1980s, to the downward wave – the period, when the economic system would undergo the “reloading” process and get rid of the “soap balloons” of over-accumulated capital through its massive devaluation. As a result, the long and deep depression would be inevitable. And, the main action is still on the way; by Kondratieff's followers, it will begin some time in 2012 – 2015, when the global economy reaches the lowest point in the downward wave of the fifth K-cycle. We see, however, that even now the consequences of the global financial and economic crisis are tinted in the colors of catastrophe.

The new methodology for cognition makes it clear that if the system is reloaded on the basis of forming an image of the new international financial system, and even if Russia becomes a global financial center, the outcome will be the same: the new spiral of crisis with even more severe implications.

At the same time, according to Kondratieff, every new cycle takes place in new specific historic conditions, at the new level in development of technologies and

production forces, and hence is not at all a mere repetition of the previous cycle.

Therefore, it is important not to wait through the crisis with its severe social and economic consequences, not to clear-out the same, but rather to define precisely those innovations that would serve as the engines of growth in the next cycle and lead to the trajectory of evolutionary development in relation to the identified objective of development. Then it would be absolutely evident that cycles and crises are not an inevitable precondition for development but are rather a result of our **unawareness** of regularities in development of human community.

As this fundamental provision was not understood properly, today at the highest government level the future is only seen through the problem of cyclic economic development, and in the context of such cyclic development the new wave a crisis is expected to be ripe in 7-10-12-15 years. Therefore, that wave could be named as the culprit of all our troubles, while all resources could be channeled erroneously and distracted from building a correct road that would be relevant to the objective of the human system development.

Owing to the possibility to forecast the future of Russia and the world from the future, in which the time between the emergence and satisfaction of the need of any specific human person gravitates to zero, we obtain a chance to form Russia's long-term development strategy. This, however, will take place only if we undertake a purpose-oriented work on Russia's socio-economic, political, institutional, and science-tech development model, which is relevant to that future.

By viewing from the future through the prism of the methodology for cognition, we could juxtapose the current development practice of Russia and the world with the theoretically outlined shared objective, and thus to find out that that **all development models available currently on the planet (neoliberal, Keinsian, totalitarian, or a mixture thereof) share such main feature as orientation of production to satisfaction of demand of an abstract end consumer through the elemental, archaic market form of communication with a specific human being.** However, with the current rates of changes in economic reality, uncertainty of consumption resulted in emergence and global growth of disproportion between the time of production and the time spent for circulation of commodities and money, to entire de-synchronization of these processes.

**The time for circulation of commodities and money is many times as longer than the time for their production, and the two processes are not synchronized with one another. More than that, the dynamics of material factors of production is torn far apart from their real and virtual monetary form.** So, in 1971-2008, the volume of USD supply in the world grew several dozen times and became several times as bigger than the volume of the mass of commodities. As of June 2008, the volume of derivatives (virtual money) market amounted to about 683 trillion US Dollars, and the turnover volume exceeded the mark of 1.5 quadrillion US Dollars. The virtual economy is dozens times as bigger than the world trade turnover and is a sequence bigger than production of the global GDP (68-70 trillion USD). **These circumstances,**

**whether directly or indirectly, serve the basis for all crisis phenomena.**

So, as early as in the 1980s and 1990s, while analyzing the socio-economic development of the Soviet Union, the author of this article found that the Soviet system of that time was featured by the growing disproportion between the time of production and time of circulation of commodities. In a whole, the time for circulation of commodities was over three times as longer than the time of their production. With the long time pattern of their movement from production through to anonymous consumer, some commodities were going off in quality, others were becoming morally outdated, and the third part was becoming the subject of losses, theft, fraud write-ups and profiteering, etc. As a result, the commodity deficit was growing like an avalanche, while certain sums of money from the sphere of circulation never returned to the national budget.

In the current situation, all processes expanded beyond national borders and all disproportions became a global kind of phenomenon. At the long time patterns of commodities' money movement, all conditions are available for redistribution of wealth in favor of few countries, organizations or groups of people, and all means, through to the guided chaos and manipulation with human consciousness, are applied for retaining and buildup of that wealth. And it does not at all matter, who, if anybody, is doing this intentionally, as mass media suggest: the Templar Order, the Federal Reserve System, or the newly baked club of G-20. It is important to understand that even if all intellectuals of the world get together, they will not be able to offer anything new, because the driving forces of the currently existing development model are exhausted entirely. For example, according to UN Food and Agricultural Organization (FAO), the number of those suffering from starvation in the world has grown by 40 million and amounts to 193 million people. However, by scientists' estimates, the planet of Earth can feed the population several times as bigger than the present world population. Hence, the reason for mass starvation is not to be found in nature but rather in socio-economic human relations as well as in the currently existing, ultimately de-synchronized model of development.

In this sense, the Russian model is the most problematic, as with Russia's territorial dimensions the disproportions between the time for production and time for circulation of commodities and money are pronounced more strongly than in any other country. Let us take, for example, such measures as establishment of Stabilization and Reserve Funds, Development Funds and other specialized funds for safe-keeping of national monetary assets, and depositing thereof in accounts with foreign banks and companies. The very fact of establishing the Stabilization Fund resulted in the arrear of monetary funds without circulation in 2004 by 12 days. As of early 2007, this index grew to over 95 days, and quite recently exceeded 100 days. In view of billions-worth sums of money being injected today into the circulation channels, the given index will become many times as bigger. These actions might cause horrible implications for the Russian society and for each individual.

With other macroeconomic factors added, de-synchronization will be even more intensive. For example, such factors as digital inequality among regions, various local

government authorities and specific people, as well as the lack of the shared information space and the use of ICT mainly for storage and processing of information for government and corporate needs – all these result in growth of all disproportions in time and in the space of Russia.

The major conclusion that can be derived is the following: the further orientation of production to satisfaction of demand of an abstract consumer would result in accelerated destruction of all kinds of resources and even in extermination of human species as such. That this statement is correct is proved by the current economic crisis.

The systemic crisis is about to cross the reversal point, and then the control at all levels and the possibility to create a critical mass of a different model would be lost. The profound reasons are to be found at the systemic level – that is, in the currently existing development model.

Therefore, the main strategic task is to change the contents of national economic and social policy as well as to reorient it to the reproductive development trajectory within the country, as well as to orient the process of reproduction only to the ultimate result – that is, to reduction of time between emergence and satisfaction of demand of each specific human person on the base of his / her order. The primary priority is not to ensure the macroeconomic stability but rather to synchronize all relations with every specific human individual at the micro-level.

Moreover, with the current rate of changes in economic reality, it is not sufficient to connect the government budget allocations and private investments to the real growth of labor productivity in order to ensure efficient use of such investments and to prevent from the further inflation growth. Such investments must be connected with productive consumption, so that everything, which is produced, would be actually consumed. This can be only attained through specific orders of specific people, without any redundant production.

As shown by the research, the information and communication technologies (ICT) are to become an efficient instrument to eliminate disproportions and de-synchronization of all processes in time of production and circulation of commodities and money as well as to accelerate such processes synchronously in the vast expanses of Russia. To this end, however, ICT must be considered as a super-modern means of human communication, which, having replaced telegraph and telephone, make it possible, with the current rate of production and consumption, to conciliate human interests in the real-time and online regime.

However, in the currently existing concept for construction of information society, a specific human individual is only present in the data register, in which he / she has his / her identification code, as a controllable subject for the needs of governance at all levels. In this concept, a specific human individual is missing as the producer and consumer of all goods, while no possibility is offered to conciliate producers' and consumers' interests in the real time and space.

Therefore, the next strategic task is to build the mechanism that would help to

conciliate interests of all participants of reproduction chain, through to the end consumers, the specific people. Therefore, at each local the modern infrastructure must be built on the base of ICT in order to ensure interconnection between producers and consumers.

Furthermore, in this model the ICT, being a super-modern means of instantaneous communication among people, will make it possible to pool their minds for perception, buildup and use of knowledge relevant to the purpose of societal development. Only in such conditions the knowledge would become a true productive force, as the mind of each specific human individual would generate new knowledge in the interests of all people and in the interests of the given individual.

The new reality does not proceed from the past experience; rather, it is taking shape here and now. Introduction, by applying the ICT, of specific human individual into the system of relations as a producer and consumer of all goods, and conciliation of his / her interests in the real time, through these communication means, with interests of other people – this is the innovation, which, according to Shumpeter, will change the mode of material production irreversibly in history.

Such measures would provide for rapid and even-paced improvement of all people in the entire space of Russia, and to implement practically Article 7 of the Constitution, under which the Russian Federation is the social state that provides for free development – not just of every person, but every of specific human individual.

Today, Russia, as well as, probable, the whole world have unique advantages in terms of the need and the possibility to form such development model. The main point is not to miss time!

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