

## IV. NIKOLAI D. KONDRATIEFF'S HERITAGE AND THE ECONOMIC SCIENCE

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### The Feat of Life and Creativity<sup>1</sup>

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#### **Abstract**

*The article reflects the views of Academician Leonid Abalkin on Nikolai Kondratieff's scientific heritage: starting from the presentation made at the International academic conference held in 1992 to commemorate Nikolai Kondratieff's 100<sup>th</sup> anniversary (Abalkin 1992) to his subsequent reports and presentations related to Kondratieff's works.*

**Keywords:** *Academician Leonid Abalkin, N. D. Kondratieff, feat of life and creativity, regaining of scientific knowledge, historical memory, Kondratieff waves, unresolved problems of methodology.*

The academician of the Russian Academy of Sciences (RAS) and the first President of the International N. D. Kondratieff Foundation (1992–2007), passed away in 2011. Therefore, it would be worthwhile to recall that period again in the context of a direct link between the names of Nikolai Kondratieff and Leonid Abalkin.

Abalkin devoted much effort and time to the study of history of the Russian socio-economic thought. He did it not only in order to introduce less known names to the broad audience of readers, but mainly to reveal their role in the development of the Russian socio-economic thought as well as to memorize the prominent national figures and to contribute to the revival of Russia.

In his presentations, articles and books Leonid Abalkin explores the lives and academic heritage of the Russian socio-economic thinkers of the 18<sup>th</sup> – 20<sup>th</sup> centuries. He analyzes the theoretical and publicistic heritage of once best-known representatives of that school, such as Ivan Pososhkov, Andrey Shtorch, Nikolay Mordvinov, Vladimir Vernadsky, Nikolay Danilevsky, Nikolay Bunge, Alexander Chouprov, Ivan Yanzhul, Mikhail Tugan-Baranovsky, Sergey Vitte,

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<sup>1</sup> This research has been supported by the Russian Foundation for the Humanities (Project No 14-02-00330).

Dmitri Mendeleev, Maxim Kovalevsky, Nikolay Zheleznov, Alexander Chayanov and Alexander Bogdanov. When addressing these names, Leonid Abal'kin considered it especially important to return Nikolai Kondratieff's honour and works into the academic discourse.

Nikolai Kondratieff (1892–1938) ranks among the most prominent representatives of the Russian school of economics of the early twentieth century. His name is associated with fundamental studies in the theory of conjuncture, regularities of its dynamics, and substantive explanation of long waves of economic conjuncture. He also published several works on the issues of forecasting and long-range planning, agrarian problems and statistics. In the last years of his life, he extended his research to sociology and mathematics. Life treated this scholar rather cruelly. However, his tragic destiny and decades of oblivion could not destroy or derogate his achievements. Nikolai Kondratieff's scientific heritage, his universally recognized ideas and theories were rejected and severely criticized in his native country. One should note that for the sake of destructive criticism of his ideas there were published numerous books and articles, for example, such collected volumes as the *Kondratievschina* [Kondratieff's Wild Fantasies], published by the Communist Academy in 1930 (*Kondratievschina* 1930) and in 1931 – *Kondratievschina: Class Struggle in the Economic Theory* (*Kondratievschina* 1931). The entry in the Big Soviet Encyclopedia says that the theory of big cycles is a vulgar bourgeois theory of crises and economic cycle, which is targeted against the Marxist theory of crises and tones down the irresolvable contradictions of the capitalist society (Titarev 1973). In Volume 2 of the encyclopedia *Political Economy* (Figurovskaya 1975) it is noted that Nikolai Kondratieff is the author of the apologetic theory of big cycles of conjuncture, which shaded the essence of the general crisis of capitalism by presenting it as a simple long-term conjuncture depression. We come to know from different sources that after the destruction of the Russian economic school in 1929, Kondratieff's works were withdrawn from the country's academic life for almost fifty years. His name was mentioned only in connection with criticism of his alleged mistakes. The death sentence under Kondratieff's case was cancelled in 1962, while the verdict under the 'case' of the Labor Peasants Party was disavowed only 25 years later, in 1987. Kondratieff lived for only 46 years, and his creative work lasted for only 15 years – from the graduation from the university to imprisonment, but that 15-year period was indeed a 'big cycle' that left a notable trace in the history of the Russian and world science. His scientific heritage continues to be timely and up to modernity. The restoration of memory of Nikolai Kondratieff was a result of perestroika in Russia.

However, it would be correct to recall that his contribution to the world science had been much earlier recognized in the West, where his name is often mentioned and one can find numerous references to his works in economic literature. The theory of big cycles was named to memorize its author, and also the long-term fluctuations were called the Kondratieff long waves or K-waves. Kondratieff's theory of long cycles won international acclaim due to a number of articles published in European languages: in 1926, in German (Kondratieff 1926), and in 1935 – in English (Kondratieff 1935). Several decades passed after his recognition in the West before Nikolai Kondratieff's honor and ideas came back to his native country. Yuri V. Yakovets in his monograph entitled *Regularities of Science-Tech Progress and Their Systematic Use* (1984) positively interprets N. D. Kondratieff's theory of long cycles of conjuncture as regards the development of the theory of cyclic dynamics. In the same period, Stanislav M. Menshikov (1984) also gave a positive assessment of Kondratieff's theory; the same was made in 1986, in S. Nikitin's *Theory of 'Long Waves' and Science-Tech Progress* (1986) and in Yu. V. Shishkov's article (1986) on the long-waves concept. In 1988, the International Institute of Applied System Analysis and the Siberian branch of the USSR Academy of Sciences held an International Academic Conference on long waves in economic dynamics in Novosibirsk. The Academy of National Economy hosted the first cross-disciplinary discussion on the theories of cycles. The works, developing the theory of cycles, among others included the monograph *Acceleration of Science-Tech Progress: Theory and Economic Mechanism* by Yu. V. Yakovets (1988), as well as articles by Natalia A. Makasheva, Vadim V. Simonov, Elena V. Belyanova, Sergey H. Komlev, and others.

Even after the first wave of the Thaw, the prominent scientist's research works remained in the oblivion in his motherland. It was only in 1989, when, after the decision of the Bureau of the Economics Division at the USSR Academy of Sciences to establish the Commission on N. D. Kondratieff's scientific heritage under the lead of Academician L. I. Abalkin, there started intensive activities in order to publish Kondratieff's works. One can name just a few Kondratieff's books that were published in 1989–1991 (apart from publication of some articles in journals): *Problems of Economic Dynamics* (1989), *Grain Market and Its Regulating during the War and Revolution* (1991a), and *Major Problems of Economic Statics and Dynamics* (1991b). By March 1992, when the International Academic Conference was held on the occasion of his 100<sup>th</sup> anniversary, another book was published, which contained N. D. Kondratieff's as well as other authors' works that reviewed his contribution to the world economic science.

As Abalkin wrote, all that was a part of the grand work connected with the revival of the Russian economists' names, crossed out from history, and publi-

cation of series of works under the general heading of 'Economic Heritage'. Nikolai Kondratieff was not an individual scholar. The time of his academic prime was the period of development of economic thought in Russia. He was both a product and the brightest representative of that school. While working at the university, he learned in coteries and seminars conducted not only by Mikhail Tugan-Baranovsky, but also by such prominent scholars as Academician Alexander Lappo-Danilevsky, Professor Lev I. Petrazhitsky, privat-docents Sergey Solntsev, Mikhail Svetlovsky and Mikhail Ptukha. He lived, worked and created together with those, who made the honor and glory of the Russian school of economic thought. In parallel with publication of Nikolai D. Kondratieff's works, grand efforts were taken to restore the memory of the prominent Russian scholars in Economics.

The series, issued within the 'Economic Heritage' program under the lead of L. I. Abalkin, included many publications of works by Kondratieff's teacher M. I. Tugan-Baranovsky, as well as by Sergey Bulgakov, Alexander Bogdanov, Peter Struve, Leonid Yurovsky, and Alexander Chayanov. Broad attention was as well attracted to the study of the Market Research Institute, founded in 1920 which Kondratieff headed until 1928. The social atmosphere in those years, creative interaction of academic researchers, and combination of theoretical analysis with generalization of massive empirical material were among the major factors that formed the intellectual elite of the Russian economic school.

Leonid Abalkin emphasizes that of utmost importance is not the belated recognition or tribute to those who passed away but rather the fact that their work is of great public value. It is tightly connected with the revival of Russia and its spiritual resources. Besides, the knowledge of history of science and the works of those who make the glory of science is indispensable for raising professional scholars and for the formation of their academic ethics. Nikolai Kondratieff consciously connected his life and destiny with the destiny of Russia, and together with his country drained the cup of sorrow to the dregs. We can only guess the doubts, hesitations and passions that filled his heart, but he fulfilled his civil and moral duty to Russia. While sharing quite a few approaches of the arising 'official' science and being even less enthusiastic about administrative methods of interference in economic life, he served to the people rather than to the authorities. At the same time, as Leonid Abalkin emphasized, Nikolai Kondratieff was not only a Russian scholar but a scholar of the global fame and scale. He was elected the member of the American Academy of Social Sciences, American Economic Association, American and London societies of statistics, and American agricultural Association. Nikolai Kondratieff, a profoundly-thinking and multi-faceted researcher, left a huge academic heritage and was a talented organizer in science. In Leonid Abalkin's

view, it was not incidental that Kondratieff was both an outstanding economist and a prominent statistician who scrutinized facts and figures. By all evidence, exactly the love for facts that he adopted from his teacher M. M. Kovalevsky served a prerequisite for his later interest in the long waves of conjuncture, the interest that was based on generalization of the abundant statistical material.

In the introduction to Kondratieff's book *Long Cycles of Conjuncture and Theory of Forecast*, published in 2002 and dedicated to his 110<sup>th</sup> anniversary and the 10<sup>th</sup> anniversary of International N. D. Kondratieff Foundation (Kondratieff 2002: 4), Leonid Abalkin wrote that the book represented a collection of the Kondratieff's works on the title subject, including the book *The World Economy and Its Conjunctures during and after the War*, which had been first published in Vologda and then became a bibliographic rarity. The reprint of this book helps to specify the time when the theory of long waves in economic dynamics originated. Today it is clear that Kondratieff had developed the given theory much earlier than the observers used to suppose. At the same time, Abalkin argues (Kondratieff 2002: 5) that long cycles of the conjuncture have been and remain the subject of a broad academic discourse, and this is quite natural since they are not considered as some preset dogma but rather as a real object of academic analysis. It would be wrong to maintain that Kondratieff foretold the course of events from the time of appearance of his theory up to the present day. Neither Adam Smith, nor Karl Marx, nor John Keynes ever had such a foresight. Great scholars do not need to be conferred with the title of prophet.

At the opening session of the 6<sup>th</sup> International Kondratieff Conference 'Does Russia have the Non-Resource Future?' Leonid Abalkin, developing his analysis of N. D. Kondratieff's heritage, said:

As evidenced by the analysis of Nikolai Kondratieff's academic heritage, his achievements include more than a discovery of the long waves of conjuncture. His teaching is much richer. He (1) formulated methodological approaches to the analysis of the reality and the must (*Sein und Sollen*); (2) analyzed the correlation between the teleological and genetic methods of research; (3) developed the theory of forecasting; (4) strongly oriented economy to high vendibility (Abalkin 2007).

Understanding this is especially important in the context of the fact that

Some researchers of N. D. Kondratieff's creative work drew the conclusion that his worldview may be described largely as 'statistical' worldview. This opinion was formed to a significant extent under the influence of A. Chouprov. It would be wrong to say that such conclusion is absolutely ungrounded. The grounds are seen in Kondratieff's proba-

bilistic statistical approach to description of regularities of societal development, in broad use of statistical 'facts', in construction of diversified models and, finally, in special respect and even love for facts (Abalkin 1992: 6).

One should note that today many Nikolai Kondratieff's followers develop exactly this idea, that is the long waves of conjuncture. The huge interest in K-waves is supported by the fact that today, when the global financial crisis hit the world, everybody recalled again exactly this part of N. D. Kondratieff's heritage.

However, as Prof. Abalkin wrote in his paper devoted to Nikolai Kondratieff's 100<sup>th</sup> anniversary in 1992, the attentive study of Kondratieff's academic heritage gives reasons to maintain that he had a broad methodological basis and seriously focused on philosophical fundamentals of theoretical constructions. Among the latter, special attention is paid to the correlation between such categories as *Sein und Sollen*, and to the question on whether the research of 'social economy' must proceed only through the prism of the *Sein* category, or whether it would be proper (without going beyond the scientific boundaries) to consider 'social economy' through the prism of 'must', the category of *Sollen*, as well? There are some reasons to suppose that N. D. Kondratieff was interested in these issues throughout the whole period of his research activities. As early as in the first year of study at Petersburg University, in the study group headed by M. I. Tugan-Baranovsky, he delivered a paper on 'Teleological Elements in Political Economy', which, in particular, also manifested themselves in the course of analyzing the issue of correlation between the genetic and teleological methods in planning, as well as in the research of many other problems. While in the Butyrskaya prison, where he reviewed his research activities, Kondratieff included in the prepared manuscript the chapter entitled 'The Category of the Reality and the Must (*Sein* and *Sollen*) in Socio-Economic Sciences'. Although, as Prof. Abalkin writes, the dialectics of reality and the 'must' ranks among eternal problems, and in every epoch new tints and nuances would be attached to this correlation, while new answers would be found and new questions would arise, we have no way to evade such questions as: where the violence over the reality would lead; what would be the results of the strive to realize, at all costs, the 'must' – that is a social norm or an ideal model of social organization. In general, should logical and abstract theoretical constructions (which are absolutely necessary in science) acquire the status of a public ideal and become a banner of political struggle? Today, however, the interest in these problems arises also from an absolutely different sphere. It is generated by the lost orientation for socio-economic progress and ideals and other things that used to be described as 'the reason for living'. What is the destination of the societal progress, and can it be re-

ferred to as progress if no reliable criteria are available for the movement to a certain goal or condition, whether the latter are called as 'bright future' or 'the God's Kingdom on the Earth'? And, is it possible to answer all these questions without appealing to 'the must'? And if otherwise, is it possible to appeal it without departure from the positions of science?

In Abalkin's opinion, Kondratieff was concerned about all these issues. He had his own view of the correlation between the reality and the must. He found the contradiction in approaches to them in the 'dual human nature' expressed in the fact that 'the man not only and not so much cognizes the reality, but also acts, sets practical goals and puts forward the ideals of his aspirations' (Abalkin 1992: 8). However, socio-economic sciences address subject as the reality, the *Sein*, while ideals and social norms, described by Kondratieff as 'judgments of value' are practical (rather than scientific) notions. In Kondratieff's view, ideals may not be withdrawn from the logic of science, while the task of creating scientific notions is principally irresolvable. Such quite forthright and even mechanic division between the reality and the must, or between theoretical and practical judgments ('judgments of value') is quite far from the dialectics of their correlation. As Leonid Abalkin writes further, Nikolai Kondratieff also feels it intuitively (rather than understands logically) and therefore, writes that 'the view of the reality under the category of the must, expressed in judgments of value, is essentially permeated by the spirit of activity and ardent willingness to change and reconstruct the reality'. Not without reason, he comes to the conclusion that 'the enormous value of the judgments and unordinary inclination to voice them evidently stems from the profound connection of social economy (political economy – *L. A.*) with the practice and interests in societal life' (*Ibid.*).

Academician Abalkin also notes that one should take into account the time period, when N. D. Kondratieff's position on these questions was taking shape. A rapid collapse of socio-economic structures, forcefully accelerated rates of industrialization, attack at peasantry and voluntarism in economic policy (Kondratieff was the first one who exposed its detriments) could not but motivate the honest researcher to reject the methods, which were disguised by references to the 'must'. The next step of such a rejection was to accept the specific-historical form, known to the author, as the only possible means to realize the concept of 'the must'. The psychological undertone of such reasoning is also clear. While recognizing that it would be correct to introduce the 'judgments on the value' into practical policy, in which, as Kondratieff believed, the struggle of ideas takes the form of the struggle of worldviews, the scientist wanted to stay away from such a struggle and to avoid its importing into 'pure' science. However, while expressing his own position on the dialectics of reality and the must, Leonid Abalkin holds the view that some questions would remain unre-

solved, such as: Is not it an illusion to try to stay 'above the fray'? Would not such approach diminish the enormous creative role of social sciences, and to what extent the given approach is appropriate in scientific fields dealing with social matter? Further on, Dr. Abalkin writes (Abalkin 1992: 9) that here again we face with 'eternal' questions, to which an unequivocal answer would hardly be ever found. This, however, does not mean that the search is useless at all. Having learned the experience of the past generations, we start this search not *ex nihilo*. Every time we conduct the search not in an abstract society but also at a quite certain period in history. And Nikolai Kondratieff was evidently right when he wrote that 'the question of whether the given ideal is live or dead would be resolved by neither a scholar, nor by a logical proof, but by the aggregate conditions of the societal life that determine the belief of the masses' (*Ibid.*).

Coming back to one of Kondratieff's major and best-known academic achievement, that is to the development of the theory of long cycles or waves of conjuncture, it is worth remembering Prof. Abalkin's words, who in 1992 wrote:

The interest in some or other aspects of the long-waves issue is predetermined largely by social conditions at a certain stage. As a number of researchers noted, in the period between the 1970s and the 1980s, the discourse on this problem was predetermined by the development of scientific and technological progress and was focused on searching for a connection between the science-technological progress and the long-term fluctuations of economic activities. At the present time and in the near future, as I see it, the agenda of long-cycle studies would expand considerably. It would include the problems of socio-economic progress in connection with understanding of its non-linear nature and its inherent oscillation... (*Ibid.*: 10)

The reason is that Kondratieff

by all evidence grasped the main point – that is, the material basis of long cycles. However, there are quite serious grounds to identify broader than purely economic bases of long cycles – such as the stereotypes of mass consumption that form and then dominate for a rather long time. Satisfaction of the established needs is connected with the downward wave, and transition to the upward wave suggests formation of a new, more attractive idea of the quality of life becoming an important incentive for savings and development of production. All this, in my view, is connected with the change of the type of economic culture, change of generations and, naturally, has to be checked thoroughly by means of economic and statistical models (*Ibid.*: 12).



Indeed, the last several years, marked by the unfolded global crisis, witness the revival of interest to Kondratieff's works. Many academic publications appeared which applying economic-mathematical methods and basing on the updated empirical information, confirm the validity of Kondratieff's theory of long cycles and waves, and actually prove that Russia and the world are on the threshold of a new K-cycle. Thus, proceeding from Kondratieff's theory, the researchers state that in 2008 the global economy entered the downward wave of Kondratieff's long cycle. Therefore, the exit from this long downward wave is expected approximately in 2020–2025. According to some observers, a new phase of the current crisis, which many anticipate to start in 2012–2015, would be comparable to the Great Depression in terms of the world economic decline rates.

Leonid Abalkin was right when he wrote on Kondratieff's theory of long cycles:

It never happened (and would hardly ever happen) that a theory would appear at once in a complete form, encompassing all connections and mediations of the sphere under study. The value of any truly scientific theory is found in its capability for development and self-enrichment and in its ability to integrate new knowledge. All these qualities are present in N. D. Kondratieff's theory of long cycles and they just make it up-to-date and timely (*Ibid.*: 13).

However, Abalkin attached an equally great importance to other sections of Nikolai Kondratieff's academic heritage, in particular, those focused on the problems of planning and forecasting. Exactly in the 1920s, the struggle of ideas on the problems of planning was underway, and the position, taken by N. D. Kondratieff, served the basis for the political charges brought against him and crowned by his shooting execution.

N. D. Kondratieff's thoughts and judgments on planning were most closely connected with his participation in drafting of the long-term plan for the development of agriculture and forestry and in discussion of the draft of five-year plan for national economy development, prepared by the Central Commission under the USSR State Planning Committee supervised by Stanislav Strumilin. This circumstance would explain the polemical and sometimes sharply critical tone of his public statements. In his article 'Plan and Prediction' Kondratieff quite clearly articulated his position on the need to combine the elements of planning with development of market and competition:

As both elements are present in our economy in a rather salient form, none of them exists here in a pure form. As market exists in our country, enterprises of the state sector are partly involved in the market relations and have to consider the market as the fact, and thus the elemental factor

also invades the orbit of the economic sector being under the direct control of the state. On the contrary, as the state directly controls the sufficient sphere of the economic life and therefore has leverages to cause powerful influence on the sphere of private economy and the market, the elemental factor under such influence is present here in the inevitably transformed shape (Kondratieff 1989: 95).

In Abalkin's opinion, Kondratieff's research interests were not focused on organizational or technical issues of planning activities, but rather on the issues of planning methodology. Therefore, Kondratieff identifies three summands of planning: (1) the system of prospects, which the bodies of economic regulation intend to realize; (2) analysis of the objective economic reality and trends for its elemental dynamics; and, (3) construction of a system of measures and leverages, by which the state would control such elemental development in order to direct it along the maximally desired path. Kondratieff devoted special attention to feasibility of plans and sharply criticized discrepancy between the planned targets and the available potentials as well as development of the so-called 'bold plans'. He called the audience not to fall under 'hypnosis' of grand but unfeasible projects and 'fetishism of figures'. 'We must choose one of the two', N. D. Kondratieff wrote,

either we want to have serious and real plans, in which case only those things must be included there for which we have certain scientific grounds; or, we would continue doing all sorts of 'bold' calculations and projections for the future without any sufficient grounds, and in this case we must from the very start reconcile with the fact that such calculations are made arbitrarily and that such plans have nothing to do with reality. But what is the goal and value of such latter plans? In the best case, they would remain harmless, because they are unfeasible, dead for practice. In the worst case, they will be detrimental because they might put the practice on the very erroneous path (*Ibid.*: 126–127).

In some statements he warned against the implications of voluntarism in planning – such as an attack at the living standard of population, destruction of agriculture, and then an inevitable deterioration of situation in the commodity market and industry. As Abalkin sums up, we all know that was exactly the case. That was the price the society paid for neglecting the conclusions and warnings by economic science.

Today this logic appears undisputable and even elementary. It is hard to imagine that in those years it met strong resistance and served the basis for political charges against the scholar. In response to Kondratieff's appeals for feasibility of plans, Strumilin objected, 'We shall never give up our goals for the only reason that their realization is not secured by 100 per cent reality'

(Strumilin 1958: 314). As for the way to find the missing resources and potentials, Strumilin's answer was very simple, 'The proletariat's will and our plans, concentrating this will for the fight for the assigned tasks, can and must become the decisive chance that is lacking for their successful resolution' (*Ibid.*). Thus, in Abalkin's opinion, a favorable environment was created for the penetration of subjectivism into the planning activities, and for the development of unbalanced plans with all ensuing and currently well-known consequences.

In the second half of the 1920s, a broad discussion was underway on the so-called genetic and teleological methods of planning. Nikolai Kondratieff highly appraised the value of the first method, based on manifestations, as he put it, of 'elemental' laws and trends of economic and social development. The roots of such approach are linked organically with all the logics of his research. At the same time, however, he did not reject the significance of the 'teleological method', which suggests that the planning activity must be considered as the mechanism for realization of the preset targets of the economic policy. As Abalkin (1992: 9) summed up, under contemporary conditions the genetic and teleological approaches do not at all appear as antipodes but rather represent the two interconnected and mutually supplementing methods. Certainly, it is true that the target guidelines of the plan may not be suggested *a priori*, without a proper consideration of the actual trends. But, the past does not predetermine the future development unequivocally. At critical stages society always has options of its development, and this suggests juxtaposition of targets as such (including their ranking by priority) and juxtaposition of targets with the real opportunities of their realization. This statement, according to Abalkin, does not completely deny the academic significance and cognitive value of genetic methods, but just warns any approach against unilateralism and absolutism, and emphasizes efficiency of using different approaches provided that they are included in an integral system of forms and methods for regulating economic life. Kondratieff's works on planning bring to the conclusion that his position was very balanced and that he went ahead of many scholars in the theory of planning. There is every reason to state that Nikolai Kondratieff is the main theorist of the 'forecasting plan', and having synthesized the genetic and teleological approaches he actually antedated the indicative planning.

In 1997, speaking at the opening session of the 5<sup>th</sup> Kondratieff Readings focused on Nikolai D. Kondratieff's theory of forecasting and mid- and long-term scenarios for development of the Russian economy, Prof. Abalkin again drew the audience's attention to the major issues of the transition period. He said that while standing 'at the turn of the century' and making plans for the twenty-first century, it is necessary to evade the danger of putting serious

research 'at service of fashion' and thus devaluating the very notion of processes of transition. This is an alarming trend, and we, representatives and agents of science, must foresee such devaluation, act proactively, and prevent from leveling down the academic discourse to primitive judgments. Another doubt, he said, which we should bear in mind, is connected with the fact that we have not yet summed up the results of the twentieth century, but we already try to forecast the course of events in the twenty-first century. By all evidence, this is not quite logical, and we need to reach a sufficiently high level in order to analyze the transformations that took place in the twentieth century – not the landmarks of political history, but rather the qualitative transformations occurred in the socio-economic models and systems (Yakovets 1997: 5).

Further on, Abalkin draws the audience's attention to the three major break-points that marked the twentieth century:

- the agony and collapse of the socio-economic model that was formed in the nineteenth century and historically exhausted itself. It became necessary to find some new ways to overcome the crisis of these no longer working models, and with an active participation of the state different attempts were made to transform it;

- the development of a new model, with shaping of entirely different processes, gradual development of new technological systems and the scientific and technological revolution widely discussed in the 1950s, 1960s and 1970s. Many other non-traditional processes took place that turned typical of this period, when in a number of regions a rather high dynamism of society was provided together with the formation of mass well-being. This period (the second third of the twentieth century) was marked by cardinal changes in the political and economic geography of the world, caused by the collapse of the colonial system. The factors of human capital, education and science manifested themselves in an entirely different way;

- many contradictions in the common welfare model were revealed in the last 35 years of the twentieth century. The ecological situation on the planet aggravated tangibly. The arising ecological, energy and other crises demanded qualitatively new approaches and solutions.

Prof. Abalkin had no ready answer to the question of development condition in the twentieth century. He just pointed that a realistic, generalized and systematizing approach to the events of the twentieth century was needed in order to work out a scenario for development in the twenty-first century. Lessons must be drawn from the past experience, because there can be no future without the past.

Another circumstance, which attracted Leonid Abalkin's attention and updated the theme of the 5<sup>th</sup> Kondratieff Readings, was the absence of sufficiently

serious, grounded and adopted development strategy for Russia for a long-term or at least mid-term future.

For a rather long time, the Russians have lived without any idea of the final goals of the current transformations, or of the stages and priorities leading to their attainment. And we try to write post-factum that everything is done properly. Looking back into the past again, I would say that for the last hundred years we have never had a situation similar to what we have today – the absence of a more or less clear development strategy for Russia. Since the late nineteenth century, we have never had a period when national leaders would have no vision of future. They always had their programs, which reflected the respective epoch and sometimes might be drawn in a form different from strictly formalized documents. But, they had a concept and a vision of strategic tasks. We may criticize those programs, or point to their shortcomings and inadequacy. Sometimes attempts were made to impose some purpose-oriented guidelines of the societal development. But all those were the lessons to make respective conclusions. And, at all times there was a strategy. But the lack of prospects is unique for Russia (Yakovets 1997: 5).

Leonid Abalkin spoke about it in 1997, and in 2007, at the 6<sup>th</sup> International Kondratieff Conference ‘Does Russia Have a Non-Resource Future?’ he again brought up the issue of choosing a developmental strategy, but this time he added that

the Kondratieff conference is not a proper forum to resolve the given issue. The choice of a developmental strategy is the function of government based on the country's intellectual forces and institutes of civil society, as well as on their joint actions. Today, we do not see such a joint strategy. We do not see any strategy as well. We have a new version of ‘heroes and crowd’, when the government makes decisions without serious academic discussion and public consensus (Abalkin 2007: 4).

It should be pointed, however, that as early as in 2008 the Ministry of Economic Development of the Russian Federation devised the ‘Strategy-2020’, which initially contained many pathetic statements, for example, about the expected GDP growth to 30 thousand USD per year (as in South Korea), but the financial crisis made the strategy actually unfeasible. The document was returned for improvement, and academic community was involved in the process. Then, in March 2012, the authors published a summarizing report (over 850 pages), which is available on the relative website. Over a thousand scholars took part in its development under the lead of Yaroslav Kouzminkov (President of the Higher School of Economics), and Vladimir Mau (President

of the National Economy Academy). The 'brainstorm' proceeded in 27 working groups, organized in blocs of economic policy. The document offers a set of cardinal changes to be introduced into the country's economic and social life. Some of its ideas have been already presented many times, and some others were rejected as too unpopular. Despite the general support of this project, today it is neither known nor clear to what extent the government is prepared to hear the experts' view. Anyway, it is clear that the proposed strategy is not a systemic integral document, but it rather represents a combination of separate plans, which, in our view, are made subjectively and have very little to do with reality.

Leonid Abalkin used to say that current complicated issues of the Russian revival and modernization of its socio-economic structures and institutes would require great joint efforts, honesty of scholars and wisdom of policy-makers. To this end, it would be helpful to keep the memory of the past as well as to turn to the origins and the heritage of ideas left by great thinkers of our country. As mentioned above, for Nikolai Kondratieff the feasibility of plans was their main criteria. But nobody would listen to his voice at that time. The development of unbalanced plans would start and bring all the related consequences. Therefore, as Abalkin firmly believed, the duty and commitment of science is to say the truth in any cases and at all costs.

At the same time we must remember another warning originating from Nikolai Kondratieff's scientific heritage. Leonid Abalkin said that it would be wrong to look for ready answers to the raised questions in Kondratieff's works (even such answers are supposed to exist in science). Time is irreversible and each phase of historical development is unique and would give a key to the proper solutions. It is necessary to evade the doubtful temptation to treat all Kondratieff's writings as an absolute and final truth. Kondratieff does not need such treatment. Like any of us, he was a son of his time. Being a genuine scholar, he used to make search, have doubts and set forth original, but not ultimately proven hypotheses. By perceiving him as a contemporary and disputing with him as with a person alive, we would recognize his greatness. But, the more reliable is the support from the predecessors, the deeper is their insight in the network of economic and social processes, the more successful progress science will make. Therefore, the International Kondratieff Foundation concentrated its modest resources on continuation of studies in the least explored areas of his academic heritage. The Foundation is not focused on the long cycles of conjuncture, but rather on the problems of methodology, such as the dialectics of the reality and the must as well as the theoretical problems of the correlation between genetic and teleological approaches, as well as the correlation of planning, forecasts and theoretical bases of forecasting with the possibility of prediction. The achieved encourag-

ing results are presented on the website of the International Kondratieff Foundation.

One should say that Prof. Abalkin as the President of the International Kondratieff Foundation, while summing up the results of its activities for five, ten and fifteen years (respectively in 1997, 2002 and 2007), noted that the Foundation established a certain tradition in organizing readings and conferences. That is, discussions are centered on the issues, which, on the one hand, address comprehension of Kondratieff's theoretical heritage and school as well as that significant branch of the world economic science, to which he belonged. On the other hand, the agenda includes the attempts to find fundamental responses to the current problems that Russia faces within Kondratieff theory.

On October 20, 2011 the Russian Federation State Duma hosted a joint session of the International Kondratieff Foundation, Institute of Economics of the Russian Academy of Sciences and Anti-Crisis Academic Expert Council of the Analytical Division of the State Duma – 19<sup>th</sup> Kondratieff Readings on ‘Modernization of Russian Economy: Lessons of the Past, Risks and Chances’. Scholars from different research institutes and universities, as well as post-graduate and undergraduate students visited the Readings. Ruslan Grinberg, the Director of the Institute of Economics of the RAS and Corresponding Member of the RAS, who in 2007 by Abalkin's initiative was elected the President of the International Kondratieff Foundation, at the Opening session, said, ‘Today the International Kondratieff Foundation conducts its 19<sup>th</sup> Kondratieff Readings. During all its past years the Kondratieff Foundation underwent serious evolution. We should note that the themes announced for some or other readings or international conferences were always rather timely’ (Bondarenko 2012: 80). Then the convener of the session, A. N. Belousov, the Chairman of Anti-Crisis Academic Expert Council and the Director of the Analytical Division of the State Duma added, ‘It is most pleasant to see that now the Kondratieff Foundation holds its sessions at the State Duma, and the events held by the Foundation arouse such a keen interest. And, the discussion is very informative and future-oriented’ (Bondarenko 2011: 2). Closing and summing up the results of the 19<sup>th</sup> Kondratieff Readings, Prof. Dr. A. E. Gorodetsky, the Deputy-Director of the Institute of Economics of the RAS, started his presentation with comments on the Foundation activities and said that International Kondratieff Foundation continued its invariable glorious tradition of preserving and developing the theoretical and methodological heritage of the great Russian economist, and what is most important, of the creative application of his scientific paradigm and methodology in the interests of exploration, understanding and explanation of the current situation. This is evidenced by almost all presentations at the session (Bondarenko 2011: 2).

Finally, it seems worthwhile to state that Nikolai Kondratieff committed a feat of life and scientific creativity, while Leonid Abalkin, considering it as his duty, did everything to preserve historical memory, to share the memory of our great scholars with us, the current and future generations, as well as to restore the pride for our country, for its present and future. With all his other merits, this deed is already sufficient for our eternal recognition and appreciation of Leonid Abalkin's work.

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