

On the strategy of integrated modernization*



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Abstract. The article is continued designing strategy of modernization in Russia and its regions, originally set out by the author in the report at the Conference “The evolution of Russia’s regions and their strategies of socio-cultural modernization» (Vologda, ISEDT RAS, October 2012; see. sat. Conference materials, part 1). Extended meaning of “integrated modernization”, proposed by Professor Chuanqi He. Special attention is paid to the unfinished state of societal transformation as the main limit, modernization of Russia and its regions. Grounded three-phase strategy of integrated upgrades, each of which has its own set of strategic priorities, which should ensure the interaction of industrial and information stages of modernization of regions of the appropriate types.

Key words: integrated modernization, strategy of modernization, phases of strategy, strategic priorities.

Modernization as a global process of civilizational changes. Its structural components

The discourse on Russian modernization does not pay sufficient attention to the fact that modernization, as the complex process of civilizational changes, which acquired the global scale¹, is conditioned by history. Reasonable arguments about nonlinearity of historical processes are not identical to the denial of progress and its historical causality. Modernization is a consistent evolution

(but not linear evolution: not with the only stationary state, but with potential set of these states) of human civilization from agrarian societies to industrial (first stage), then to information (second stage) societies. By the 21st century this evolution has acquired global character that proves its historical pattern.

It is a complex process. It consists of three main components, each of them can be considered as a partial, component modernization.

* The article was prepared under the financial support from RHSF (grant No. 14-03-00421a).

¹ For details, see [6, p. 32-49]. A number of topical aspects of this subject was discussed at the Russian-Chinese conference “Civilization and modernization”, held in may 2012 at the Institute of Philosophy of RAS (see [8]).

1. *Engineering-and-technological modernization* – the transition to a new technological mode – a new way to create the means for people's life activity, the way that becomes the main (>50%) source of the gross domestic product of the country, region (GDP, GRP) or a new resource for the competitive development of other societies and countries. At the beginning of information modernization, such source was found in the fifth technological mode (electronics, computer engineering) that was replaced by the sixth mode (nanotechnology, cellular technology).

2. *Socio-economic modernization*. With the establishment of new technological modes the share of the three main economic sectors in GDP changes consecutively: the primary, industrial stage of modernization experiences sharp reduction in the share of the primary, agricultural sector due to a corresponding increase in the share of secondary, industrial sector; the secondary, information stage is characterized by a significant increase in the share of the tertiary sector (services in a broad sense, including the production, transfer and use of new knowledge), and the share of the first two sectors (material production) reduces accordingly). Having studied the history of modernization in developed countries of Europe and North America for 200 years, specialists from the Center for Modernization Research at the Chinese Academy of Sciences (CMR CAS) have identified stable indicators and included them into the tools for the monitoring of global modernization, which has been conducted annually since 2000, as default values when obtaining industrial modernization indexes [6, p. 59-60].

3. *Socio-cultural modernization* – the achievement of decent standard of living and quality of life, the formation and adoption of the set of values centered around the development of a person as an individual, his/her rights and freedoms; and their approval in everyday life is ensured by social and

other structures and institutions such as science, education, medical care, profound democratization of the state and the entire political life of society, its judicial institutions, promotion of the activity of civil society.

All the components of modernization as a civilizational process are interrelated. Together they form an integrated unity. If one or another component is represented clearly insufficiently, or, on the contrary, dominates all the rest, then the complex modernization can turn into a partial quasi-modernization.

The analysis of the annual CMR CAS monitoring shows that the indicators and indexes of the tools applied represent quite convincingly the state, dynamics and place of each country according to the socioeconomic component of modernization, and partly according to its socio-cognitive indicators; thus, to a certain extent, according to modernization in general, differentiating it into two stages – primary (industrial) and secondary (information), as well as measuring their integrated index. However, social and cognitive indicators and indices reflect its cultural component only partially. As for the engineering-and-technological component, it is presented indirectly.

Thus, the CMR CAS tools are very effective, and we are going to use it. But it is necessary to adapt it more comprehensively to the specifics of Russia as a country with the medium level of modernization, the country that experienced deindustrialization and has not completed its transition to democratic society with socially oriented market economy.

Aggravation of competition between countries for the success of modernization

According to the latest results of the CMR CAS monitoring, by 2010 66 industrialized countries have implemented the primary modernization by 100%, and since the 1970s 30 countries have entered the secondary stage of global modernization. Among these, 22 countries had a high level of information

development (their index was 80 or more points), and 26 countries had the medium level of development. Russia was among the countries with medium level of development (71 points) and ranked 29th. The six countries with the medium level of development: Greece, Czech Republic, Kuwait, Estonia, Italy, Portugal were ahead of Russia on their way to the high development level (from 72 to 79 points). Slovenia was ahead of them (82 points). The United States (109 points) remained the most developed country [10, p. 71-74].

The future of the world modernization in the second half of the 21st century will affect more than 190 countries (approximately 6 billion people). **By 2100**, according to the forecasts:

- the standards of secondary modernization of 20 developed countries will increase 5-fold as compared to 2005, and the average level of modernization in the world will lag behind them by 50 years;
- in the conditions of global competitiveness, the position of any country in the world modernization may increase or decrease; therefore, the leading countries should always protect their forward positions, and the catching-up countries should accelerate their pace of modernization.

Conclusion: the 21st century will see the increase in the irregularity of modernization in the countries, and the competition between the countries will be tough [6, p. 230-234].

What hampers modernization in Russia and what should be done for maintaining and enhancing Russia's modernization status and its competitiveness in the world in the conditions of tough competition?

The incompleteness of societal transformation is the main reason for the slowdown in Russia's modernization

According to estimations by T.I. Zaslavskaya, V.A. Yadov and other Russian scientists, societal transformation (radical change of the entire society), which began after the systemic

crisis and the collapse of the USSR in the late 1980s, has not been completed yet: it has not reached the developed state that ensures competitiveness in the global community (see [2, p. 104; 9, p. 8-11]).

It is the incompleteness of societal transformation that is the main reason for Russia's lagging behind in global modernization. But the incompleteness of transformation does not mean that no new society has emerged. What is a modern Russian society, what are its main features?

There are grounds to conclude that **there emerged an intermediate transitional condition of the Russian society – a symbiosis of structures of early capitalism with modern globalization: oligarchic-bureaucratic capitalism with a comprador dominant, which bends the capital created in Russia to the interests of transnational business** (see [5, p. 337-340]). As a result, there is no demand for modernization of the Russian economy and the whole society; there is no demand for Russia's innovation human potential, which is still considerable, although already reduced, and it is dying in vain.

Information concerning the sociocultural portraits of regions, which is based on sociological surveys, indicates that the efficiency of modernization processes in the regions, from the viewpoint of human potential, is low; although statistics record inertial growth in its socio-economic indexes. Here we are faced with *quasi-modernization* that is not balanced socially and culturally.

Such is the price of the opportunities for completing societal transformation that are being lost. In the conditions of intensified international competition for modernization success, the incompleteness of this transformation has become a strategic flaw in the evolution of modern Russia. The inertial growth of *quasi-modernization* should be opposed to the strategy of integrated, socially and culturally balanced, thereby, anticipatory, modernization.

The completion of the transformation, first of all, should provide a response to the two main issues posing a threat to modern Russia, such as:

1. Threat to security that is aggravating due to conflicts in the conditions of global instability; it requires urgent modernization of the country's defense industry, ensuring its competitiveness in global markets.

2. Threat to political stability and integrity of the country due to glaring financial and material contrasts between the thin layer of the super-rich and the masses of the poor; this fact is exacerbated by the contrasts between the standard of living in different regions; this threat is to be dealt with by bringing the standard of living and quality of life to the European average in all the regions of Russia.

Strategic theses and decrees of Russia's President V.V. Putin

In 2012, explaining the reasons for his consent to stand for election, presidential candidate V.V. Putin wrote the following: "In my opinion, our task in the forthcoming elections is to get rid of everything that hinders our progress on the way of national development. *Russia should complete the creation* (italics added). – N.L.) of such a political system, such a structure of social guarantees and protection of citizens, such an economic model that will together form a single, living, constantly evolving and, at the same time sustainable, stable, healthy state body, which will unconditionally guarantee Russia's sovereignty, and prosperity of the citizens of our great nation for decades. Our task is to defend justice and dignity of every person. The truth and trust in relations between the state and society" [7].

In fact, **it is a call to take immediate action** on the basis of the main values of the Russians, like justice, human dignity, inherent worth of his/her life.

Immediately after the inauguration, Russian President V.V. Putin signed the Decree "On the long-term national economic policy".

Its first paragraph orders the Government of the Russian Federation to take measures aimed at "creation and modernization of 25 million high-performance jobs by 2020".

This task is not just words, but an urgent necessity. It is backed by the statistical data. Many sociological studies, including the monitoring "Values and interests of Russia's population" carried out by the Center for the Study of Social and Cultural Change of the Institute of Philosophy of RAS in 2006 and 2010, and the studies conducted by more than 20 research teams on preparation of the portraits of regions prove that in 2006–2010 Russia's population considered the **task of creating millions of new jobs** a priority. In conditions of the crisis and subsequent depression this task has become even more urgent, and it should be specified in the strategies and development plans for each region. The disruption of its implementation must be prevented.

How to overcome the incompleteness of societal transformation in Russia?

Comprehensive completion of societal transformation is the most complicated historical task. Actions for its solution should come primarily from higher authorities, and be implemented with active participation of business structures and civil society. However, it is not only important, **who** does it, but also **how** the actions are carried out: the method largely determines the structure of participants. Their actions can be successful only if they are coordinated. It is necessary to establish a *multilateral negotiation process*, initiated by the President of Russia and aimed at such coordination.

The power – owners – civil society should become the main participants of the negotiation process. Obviously, the power structures should be headed by the President of Russia. The owners should not be represented by the oligarchs alone, but also by the Union of Industrialists and Entrepreneurs, and by small business. Civil society can be represented

by a deputation from federal and regional public chambers, as well as from scientific, educational and other structures.

Measures that are to be undertaken to complete the societal transformation in Russia should be the priority subject of such negotiations. This should be an open, public, thoughtful discussion. It is necessary to identify the main provisions of draft laws and other normative acts seeking the *completion of economic, political and legal institutions effective for the entire society*. It is also necessary to do the following:

- provide the protection of the rights and freedoms of citizens (equality before the law, etc.) by the court and law enforcement agencies;

- formalize in the legislation the social responsibility of employers (enterprises, companies) to the employees for a worthy level of wages, working conditions, pension provision and other types of social security, the possibility of participation in the management of organizations;

- legislate against or severely restrict the withdrawal of revenues obtained in Russia from Russian jurisdiction and taxation;

- carry out a set of other measures (see [3, p. 62-69; 9, p. 12-22]).

The achievement of consensus on effective economic, political and legal institutions will provide opportunities for the solution of **the second task** of the negotiation process: the development and implementation of the strategy for integrated, anticipatory modernization as a socially and culturally balanced civilizational process in Russia.

Principles for the development of anticipatory modernization strategy

Successful elaboration and implementation of anticipatory modernization strategy requires the use of the following principles: 1) program-project principle, and 2) counter principle of its federal-and-regional construction.

In accordance with the proposed strategy, **on the orders** from the federal and regional

executive bodies, it is necessary to develop programs and projects for modernization that will contain definite problems/tasks of socially and culturally balanced priority development and propose the ways of their solution.

It is important to ensure the systemic character of the composition of proposed programs/projects. For example, using a matrix, the rows of which can present the main levels of regulation of the objects under modernization, and the columns can present the stages and states (types) of modernization in the regions, the corresponding programs and projects.

The preparation of programs and projects should take place in three clusters-levels *of their counter construction*. The upper cluster-level is federal-and-district, “from the top to the bottom”. The lower cluster-level is local-and-regional, “from the bottom to the top” (to save time, it may be enabled simultaneously with the upper one). The median cluster-level is integrative-regional. The results are to be approved by the regional authorities.

The advanced nature of integrative modernization

Modernization objectives are achieved more successfully, when its processes are going more dynamically in comparison with other countries (regions), especially its neighbors. Therefore, the *advance* should be considered an important criterion in the success of modernization.

A priority task for Russia can be the task of outrunning the above mentioned six European countries with medium development level. In estimating the timing of such advance, it is necessary to bear in mind that these countries are also striving to the success of modernization and are moving forward, competing between each other and with Russia. Therefore, Russia should start moving faster than these countries as early as possible in order to catch up with the twenty developed countries by the mid-2030s.

The next task will be much more difficult: gradually leave the twenty developed countries behind and join such countries as England, France, Germany. But this requires a completely different pace of movement than those observed now and those expected in accordance with inertial trends. It is clear that we are not talking about the one-time advancing spurt or breakthrough, but rather of a long, gradual process of tough competition with other countries for the success of modernization.

Its own competitive logic can be traced among **the regions** as well. The regions that differ in the state (type) of modernization require different priorities of modernization policy (priority investment targets, specialization of tax incentives, promotion and utilization of human potential). These priorities should change as the regions transition from one state (type) of modernization to another. At that, each region is striving to save and improve its status. The priorities of re-industrialization can dominate at the beginning of regional modernization; in the process of its implementation the priorities will focus on the development of information modernization. At that, civilizationally different regions will differ in their vectors and rate of modernization.

Stages and priorities of integrated modernization strategy, the dynamics of the number of regions at different stages

For Russia, as a country with medium level of modernization development, **integrated modernization** is not only the integrity of its components characterized above, but also the relationship of its two stages². We can distinguish three types of this relationship, or three combinations of strategic priorities for modernization of the regions; they form the stages of integrated modernization strategy. Each stage corresponds to one of the three pairs

² About the balanced development of these stages as an integrated modernization and its measurement, see [6, p. 18-20, 64-66].

of conditions (types) of modernization degree in the regions³.

Stage 1. Priorities: mainly promoting the growth and development of re-industrialization; regions with low levels of industrial modernization (types 1 and 2).

Stage 2. Priorities: promoting the completion of re-industrialization and simultaneously promoting the transition to information modernization; regions in the state of transitional modernization (types 3 and 4).

Stage 3. Priorities: mainly promoting the growth and development of information modernization; regions in the state of system information modernization (types 5 and 6).

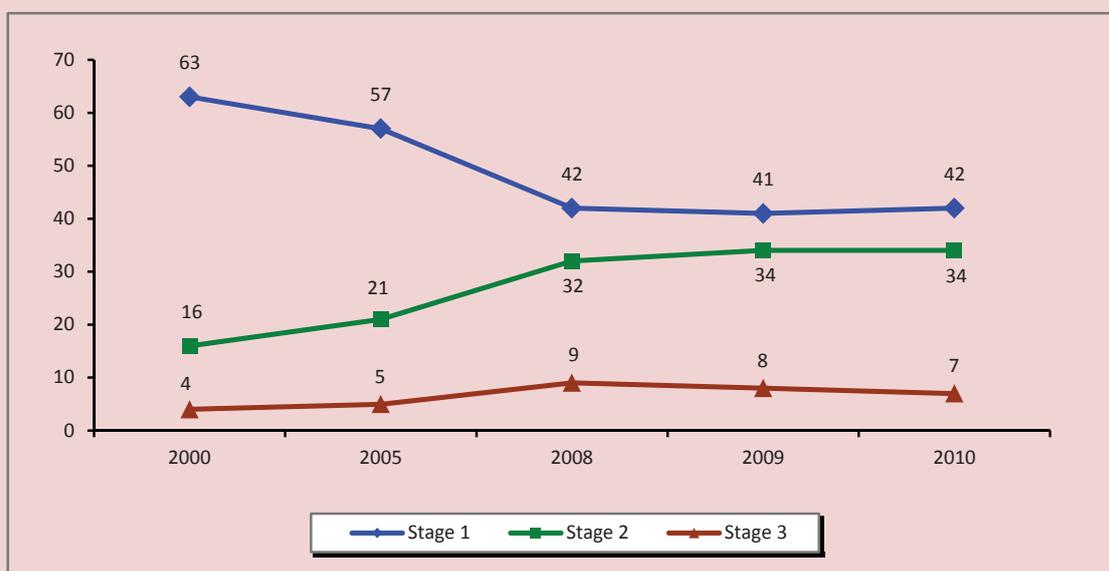
Dynamics of the number of regions, corresponding to these stages in 2000–2010, is presented in the *figure*.

As we can see, in 2000–2008 the number of regions corresponding to the first stage decreased by one-third; and the number of regions, corresponding to the second and third stages of integrated modernization strategy, almost doubled. However, only 7 regions corresponded to the highest phase 3 (continuation and development of secondary modernization, i.e. the system information modernization). **The rate of increase in the number** of regions from lower stages to higher ones was on average **two regions per year, and then it slowed down**. In 2008–2010 it was close to zero. Hence, if the stagnation, or, even worse, recession of the economy remains, then the further transition of the regions to higher modernization states will become very difficult.

These trends confirm the above conclusions about the existence of the *hindered inertial growth of socio-economic modernization without social and cultural development*. Russia is in danger of gradual reduction of its modernization status and competitiveness. This is the most likely scenario for the country until the middle

³ Earlier we defined six such stages. See [4, p. 22-24].

Dynamics of the number of regions corresponding to the main stages of integrated modernization strategy



Source: the results of calculations using Information System "Modernization" (ISED T RAS, 2013).

of this century, if its societal transformation remains incomplete. The high probability of such a way is confirmed by the forecasts of Russian historians and mathematicians, obtained with the help of calculation multifactor mathematical model (see [1, p. 143-144, 211]), and the findings of the Moscow Economic Forum (Moscow State University, March 2013) [8, p. 8-11].

Expected results of anticipatory modernization strategy

According to our estimates, the rate of the regions' advance from the lower stages to higher ones over the next two decades may increase in two –three times, *if by 2018 the societal transformation in Russia will be completed, and a democratic society will be established with a socially oriented market economy, and also as a result of implementing the strategy of integrated modernization.* In a historically acceptable period of time (by the mid-2030s), about 80% of Russia's regions will complete primary modernization by 100%, and almost 50% of regions will enter the stages of the beginning and growth of secondary

modernization (they will enhance their state of modernization to types 4, 5 and 6), they will also bring the quality of life to the European average. By 2018, about 20 regions can achieve this, by 2024 – up to 25 regions, by 2030 – about 35, and by 2036 – more than 40 regions. Among these, about 20 regions can enter the state of the system information modernization (types 5 and 6).

The middle of the 21st century will see new opportunities for innovation, intensive development of the fifth and sixth technological modes, the quality of life in most regions will increase to the European average, **complex modernization will be mostly formed as a new civilizational quality of Russian society.** Such values as the dignity and equality of each person's opportunities, the competence of democracy and the culture of business and political elite, the transparency of administrative and business management, high standard of living and quality of life. As a result, Russia will take its place among the developed countries of the world, and will increase its attractiveness in Europe and Asia.

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