

FROM THE CHIEF EDITOR



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Scientific analysis of global challenges for Russia

*(on the article “How not to lose in the war”
by Academician S. Y. Glazyev)*

The opening article published in the previous issue of the Journal¹ dwelled upon the relevance for modern Russia of the ideas set forth by the outstanding domestic economist Academician Dmitrii S. L’vov in the work “Economic Manifesto – the future of the Russian economy”.

The work substantiates the notion that Russia must follow its own path. Dmitrii Semenovich proves that the modern capitalist world is plagued by contradictions more and more, it facilitates the emergence of social conflicts, regional clashes and local wars. He points out that Russia’s future development should focus on the spiritual heritage of Russians, their desire to solve the core issues together, collectively, to ensure social justice, strengthening the role of public administration in the economy and social life.

This article especially stresses that in recent years the ideas of D.S. L’vov have been increasingly developed in the Russian science by his students and followers. Academician Sergey Glazyev is one of them².

¹ See: Ilyin V.A. Rossiya dolzhna prodvigat’sya po svoemu puti [Russia Must Go Its Own Way]. *Ekonomicheskie i sotsial’nye peremeny: fakty, tendentsii, prognoz* [Economic and Social Changes: Facts, Trends, Forecast], 2014, no.3, pp. 915.

² To date, S.Yu. Glazyev has published more than 130 works on economic, financial, and social issues. They include: *Teoriya dolgosrochnogo tekhnikoekonomicheskogo razvitiya* [The Theory of Long-Term Economic Development]. Moscow: VlaDar, 1993; *Blagosostoyanie i spravedlivost’. Kak pobedit’ bednost’ v bogatoi strane* [Welfare and Justice. How to Overcome Poverty in a Rich Country]. B.S.G.PRESS, 2003; *Vybor budushchego* [The Choice of the Future]. Moscow: Algoritm, 2005; *Sotsialisticheskii otvet liberal’noi globalizatsii* [A Socialist Reply to Liberal Globalization]. APN, 2006; *Modernizatsiya rossiiskoi ekonomiki na osnove novogo tekhnologicheskogo uklada kak klyuchevoe napravlenie antikrizisnoi politiki. Analiticheskii doklad po programme Rossiiskogo gumanitarnogo nauchnogo fonda (proekt № 090295650. dokl.). 2009* [Modernization of the Russian Economy on the Basis of a New Technological Paradigm as a Key Direction of the Anti-Crisis Policy. Analytical Report on the Program of the Russian Humanitarian Science Foundation (project No. 090295650. Rep.). 2009]; *Strategiya operezhayushchego razvitiya Rossii v usloviyakh global’nogo krizisa* [The Strategy for Advanced Development of Russia in the Conditions of the Global Crisis]. Moscow: Ekonomika, 2010; *Uroki ocherednoi rossiiskoi revolyutsii. Krakh liberal’noi utopii i shans na ekonomicheskoe chudo* [Lessons of One More Russian Revolution. The Collapse of the Liberal Utopia and the Chance for an Economic Miracle]. *Ekonomicheskaya gazeta* [Economic Newspaper], 2011; *Politika ekonomicheskogo rosta v usloviyakh global’nogo krizisa: doklad (2012)* [The Policy of Economic Growth in Conditions of the Global Crisis: Report (2012)], etc.

In 2013 a report of the Russian Academy of Sciences “Russia on its way to the modern, dynamic and efficient economy”³ was prepared under the editorship of Academicians A.D. Nekipelov, V.V. Ivanter and S.Yu. Glazyev. The report was submitted to the President of the Russian Federation V.V. Putin in February 2014 and it was discussed at length at the meeting of the President with the expert group of economists of the Russian Academy of Sciences⁴.

S.Yu. Glazyev’s economic and political erudition, his constant involvement in the scientific analysis of the processes taking place in our country, given its position in an increasingly globalizing world, were clearly manifested in his recent article “How not to lose the war”⁵, which examines the Ukrainian crisis in the context of global economic changes that create objective prerequisites for escalation of political and military tension in international relations, forecasts its implications for modern Russia, sets out a vision of the structure and essence of measures aimed to overcome their negative impact on Russia’s future.

In our opinion, the article contains the science-based formulation of these issues. It not only provides an analysis of the current geopolitical position of Russia; it is also a major step in scientific research into the issue, many things that were not spoken of until recently are called by their proper names in the article. But

³ *Rossiia na puti k sovremennoi dinamichnoi i effektivnoi ekonomike* [Russia on the Way to a Modern Dynamic and Efficient Economy]. Ed. by Academicians A.D. Nekipelov, V.V. Ivanter, S.Yu. Glazyev. Russian Academy of Sciences. Moscow, 2013. 93 p.

⁴ Transcript of the Meeting of V.V. Putin and economists of the Russian Academy of Sciences on February 19, 2014. Available at: <http://www.kremlin.ru/transcripts/20291>

⁵ Full text of the article (over 90 standard typewritten pages) is available online at: http://www.glazyev.ru/sodr_ssn/368/.

the value of this article does not end here. It is distinguished by extensive argumentation, by the use of classical and modern theoretical-and-methodological approaches to the problem, by the clear structure, by the application of tools of the modern scientific analysis of economic, social and political phenomena.

The article opens with an extensive section, which describes the fields of conflict in the Ukrainian crisis.

S.Yu. Glazyev believes that the first notional field of conflict here refers to the political structure of Ukraine. This field was initially formed on the background of long-standing demands of the population in Donbass and other areas in the South-East of Ukraine for federalization and recognition of the Russian language by the Ukrainian government.

The second notional field of conflict is the so-called European choice of Ukraine. It was supported by activists of Maidan and by European officials and politicians, who support the opposition.

These two conflicts cannot be resolved by violence. The war in Ukraine is not aimed at that. Glazyev proves that conceptually, it has Nazism as its core. The propaganda campaign adopted by Kiev junta fills public consciousness with misanthropic notions concerning their opponents by calling them, say, “subhumans”. They are denied the right to express their position, they are allowed to be burnt alive and killed. It is the Nazi semantic field that generates major tension in the conflict and explains the use of violence for its resolution.

The essence of the question, according to S.Yu. Glazyev, lies in the conflict field that has been present for many centuries. This is the field of aggression of the West against Russia.

It is the United States that is currently bearing the banner of this aggression. Americans

are truly convinced of their superiority over all other peoples of the world. The cult of American exceptionalism is the foundation that allows the U.S. authorities to punish other peoples up to physical destruction, in case of their unwillingness to submit. The very sense of submission is determined by economic interests of American capital, which provide for the full opening of the borders for American goods and capital, for the introduction of American standards of living, for the use of the U.S. dollar as a reserve currency and the means of international payments.

In full compliance with the Anglo-Saxon tradition “divide and rule”, American ideologists fill Ukrainian Nazis with a cult of hatred and superiority over the Russians, who were proclaimed guilty for all the troubles and offences of the Ukrainian people.

Support provided to Ukrainian nationalists by Europe is also stimulated by America’s interests in ensuring its global dominance, which is currently manifested virtually in all possible spheres – economic, financial, military, and ideological. S.Yu. Glazyev provides extensive analytical data that prove irrefutably that the U.S. is the only force that benefits from the escalation of the Ukrainian conflict.

An objective basis for expansion of the conflict into global political and military tensions consists in the problems associated with the replacement of the structures of existing technological mode and the formation of the structures of the new one.

By instigating a major war in Europe, the U.S. intends to survive the crisis that is covering the country due to fading efficiency of the dominant technological mode, and then to reach a new long wave of economic growth.

At the same time, according to Glazyev, as for the world economy in general, we can talk about one of the three scenarios for further development of the events in the medium term.

The optimistic scenario envisages the transfer of the crisis into a controlled mode, allowing the leading countries to channel the decline in obsolete sectors of the economy and in peripheral regions, and to allocate the remaining resources to the rise of innovation activity and rapid growth of the new technological order.

The catastrophic scenario implies the collapse of the existing U.S.-centered financial system, the formation of relatively self-sufficient regional monetary and financial systems and the destruction of the most part of international capital.

And finally, the inertial scenario envisages the increasing chaos and destruction of many institutions both in the core and on the periphery of the world economy, new centers of economic growth will emerge in the countries that will be the first to ride on a new long wave of economic growth. This scenario is the most interesting for American elites.

Having performed a comprehensive analysis of the nature and content of the strategy and tactics of American politicians, S.Yu. Glazyev proves that the Ukrainian crisis was initially organized by the USA against Russia.

The direct goal of the crisis was to separate Ukraine from Russia; this separation is formalized by the subordination of Ukraine to the European Union in the form of association, by which Ukraine gives its sovereign rights in the regulation of foreign economic activity, foreign and defense policy, and other issues including social, to Brussels. Essentially, this leads to European occupation of Ukraine, and Euro-fascism becomes a means of American aggression.

The current outrageous anti-Russian hysteria in Ukrainian media looks like a response to the Crimean drama only to a superficial observer. In fact, as S.Yu. Glazyev points out, there emerges a Ukrainian version of Euro-fascism as the main tool for instigating a world war against Russia.

Being an objective and responsible scientist, S.Yu. Glazyev focuses mainly on what should be done to prevent a war with Russia, and if the war breaks out, how to win it.

According to the Academician, in order to prevent the war, first of all is necessary to undermine the forces that incite it – economic, informational, political and ideological foundations of their influence. The article sets out ways, methods and tools that can contribute to the erosion of these foundations.

S.Yu. Glazyev points out that in order to find a successful solution to this issue, it is extremely important to form a global anti-war coalition that should offer clear principles of streamlining and harmonization of socio-cultural and economic relations in the world.

Their foundation is the sum of values shared by the main cultural-civilizational societies. These values include, in particular, the principles of non-discrimination (equality of people, without division into “us” and “them”), fairness and responsibility, social protection mechanisms, legal form of the rights and freedoms of citizens.

S.Yu. Glazyev distinguishes the main components of the anti-crisis program of the anti-war coalition. It should be based on the principles of mutual benefit and fair competition in global financial and economic relations, by eliminating the monopolization of the functions of international economic exchange in anyone’s private or national interests. The anti-war coalition should put forward

its peaceful alternative to the arms race in stimulating the development of a new technological mode.

At the same time S.Yu. Glazyev notes: “Even if we manage to prevent the internationalization of the Ukrainian conflict and curb the outbreak of war against Russia in Europe, the risk of its instigation will remain until the U.S. does not abandon its claims to global domination. The U.S. is pushed toward a world war by the above objective regularities of global economic and political dynamics. Understanding them allows us to forecast political and military activity for the next decade”.

According to the forecasts of long cycles of political activity described in the article, the peak of international military and political conflicts will fall on 2016–2018. According to the same forecasts, the most dangerous period for Russia will start in the early 2020s, when developed countries and China will begin their technological rearmament, and the United States and other Western countries will come out of the 2008–2018 depression and will make a new technological leap. To avoid Russia’s lagging behind in this dangerous time (according to Glazyev, it is the most negative scenario that leads to the collapse of the country), it is necessary to conduct a system internal and external policy aimed to strengthen national security and economic self-sufficiency, to enhance Russia’s international competitiveness and promote the priority development of national economy, mobilization of society and modernization of the military-industrial complex.

All this is crucially important for our country in the current situation: a coordinated large-scale attack has been launched against Russia by the U.S. and its allies. An economic

war has been actually waged under the guise of sanctions against us. The purpose of this war is complete destruction of modern Russia. It is critically important for the U.S., after it broke into the sphere of Russia's vital interests, to support and accelerate the implementation of the strategy of the elite, who seized power in Kiev⁶.

Glazyev proposes strategic and tactical measures that will allow us to win the war. These measures are as follows:

- access to the development of mineral resources and other strategic industries should be granted only to the companies fully owned by Russia;
- the end owners of strategic enterprises should register their property in Russia;
- companies located in the offshore should pay taxes in full;
- the channels of illegal and half-legal withdrawal of money abroad should be closed;
- taxes on financial speculation and on export of capital should be introduced;
- dollar assets should be converted into gold and the currency of friendly countries;
- export of hydrocarbons, metals and other products should be carried out only in rubles;
- state-owned companies should stop taking foreign loans.

⁶ In this regard, we cannot but agree with the conclusion of S.M. Mironov, the head of the faction of the party "Just Russia" in the State Duma. He says that Kiev regime is preparing for a big war. Under the patronage of the United States of America and under the supervision of American instructors it can embark on any power gamble. See: Speech of S.M. Mironov at the Meeting of V.V. Putin with members of political parties represented in the State Duma. Transcript of the Meeting. Available at: <http://news.kremlin.ru/transcripts/46451>.

Many other well-known experts, specialists and analysts speak about the reality of military claims. For instance, V. Shurygin concludes: "It is high time to realize that we are at war. But not with Ukraine, which in its current condition would not survive even for six months, but with the strongest world power – the U.S., which is behind it" (Shurygin V. Boinya № 4 [Massacre No. 4]. *Zavtra* [Tomorrow], 2014, no.32 (1081), August, p. 2).

As the author notes, the implementation of these and other measures of advanced development and modernization of Russia's economy requires great coherence and certain solidarity of the main social groups of Russian citizens. This implies drastic reduction of social inequality that generates antagonistic and alienated attitude of the citizens toward the policy of the state.

According to S.Yu. Glazyev, these goals can be achieved if the following measures are implemented:

- increase of the subsistence level up to the real value of the basic food basket, and the revision of its content taking into account the actual consumption patterns of the people, their needs in health and education;
 - increase of the minimum wage up to the poverty line;
 - creation of new jobs, promotion of small and medium business;
 - introduction of the progressive scale of taxation of income, inheritance and luxury goods;
 - creation of the necessary conditions for enhancement of human capital and improvement of moral climate in the society through the revival of traditional spiritual values.
- At that it is the system of public administration that requires moral rehabilitation in the first place.

This list is not new; it summarizes the vision of the main directions of the strategy of actions for the Russian authorities; these directions are advocated by representatives of Russian science and the public, as they consider it extremely dangerous to move toward further liberalization of economic and social life in Russia. In this regard we note that the solutions to the problems identified by S.Yu. Glazyev were constantly in the focus of attention of Russia's

scientific community⁷. The majority of issues of our Journal are devoted to them⁸.

Over a month has passed since the publication of S.Yu. Glazyev's article. Its full or concise text is posted on numerous Russian and foreign websites. The scientist's opinion is actively supported by sensible people. But actual measures that are being implemented in the present-day life of our country, in the policy and practice of its leadership – this is what is crucially important.

The expert community, and the parliamentary parties note that V.V. Putin, as the top government official, pursues a policy of realism more actively, and it gains support of most of Russia's population – 85.3%, according to WCIOM⁹, which exceeds the level of 2007 (80.8%).

V.V. Putin outlined the policy of realism at the Munich Conference on Security Policy in February 2007, when he expressed his view on the essence of American and European policy

⁷ Aganbegyan A.G. Sotsial'noekonomicheskoe razvitiye Rossii: analiz i prognoz [Socio-Economic Development of Russia: Analysis and Forecast]. *Problemy prognozirovaniya* [Problems of Forecasting], 2014, no.4; Amosov A. Ob ekonomicheskom mekhanizme novogo industrial'nogo razvitiya [About the Economic Mechanism of the New Industrial Development]. *Ekonomist* [The Economist], 2014, no.2; Bobkov V. O sotsial'nom izmerenii novogo etapa razvitiya [About the Social Dimension of the New Stage of Development]. *Ekonomist* [The Economist], 2013, no.5; Gurvich E., Prilepskii I. Kak obespechit' vneshnyuyu ustoychivost' rossiiskoi ekonomiki [How to Secure External Sustainability of the Russian Economy]. *Voprosy ekonomiki* [Economic Issues], 2013, no.9; Delyagin M. Krakh optimisticheskikh illyuzii i otpravnoi punkt rossiiskogo vyzdorovleniya [Destruction of Optimistic Illusions and Starting Point for Economic Recovery]. *Rossiiskii ekonomicheskii zhurnal* [Russian Economic Journal], 2014, no.1; Ivanter V.V., Uzyakov M.N., Ksenofontov M.Yu., Shirov A.A. et al. Novaya ekonomicheskaya politika – politika ekonomicheskogo rosta [New Economic Policy – the Policy of Economic Growth]. *Problemy prognozirovaniya* [Problems of Forecasting], 2013, no.6; Idrisov G., Sinel'nikovMurylev S. Byudzhnaya politika i ekonomicheskii rost [Budget Policy and Economic Growth]. *Voprosy ekonomiki* [Economic Issues], 2013, no.8; Kvint V.A., Okrepilov V.V. Kachestvo zhizni i tsennosti v natsional'nykh strategiyakh razvitiya [Quality of Life and Values in National Development Strategies]. *Vestnik RAN* [Herald of the Russian Academy of Sciences], 2014, vol. 84, no.5; Kleiner G. Kakaya ekonomika nuzhna Rossii i dlya chego (opyt sistemnogo issledovaniya) [What Kind of Economy Does Russia Need and for What Purpose? (An Attempt of System Analysis)]. *Voprosy ekonomiki* [Economic Issues], 2013, no.10; Knyazev Yu. Perspektivy rossiiskoi ekonomiki: shans na uskorenie [Prospects of Russia's Economy: a Chance of Acceleration]. *Obshchestvo i ekonomika* [Society and Economics], 2014, no. 23; Komkov N.I. Kompleksnoe prognozirovaniye nauchnotekhnicheskogo razvitiya: opyt i uroki [Complex Forecasting of Scientific-and-technological Development: Experience and Lessons]. *Problemy prognozirovaniya* [Problems of Forecasting], 2014, no.3.

⁸ These problems, in particular, were the subject of the following publications in the Journal's issues of 2012–2013 and the first half of the current year: Gubanov S.S. Neointustrial'naya model' razvitiya i ee sistemnyi algoritm [Neo-Industrial Development Model and Its System Algorithm], 2014, no.3; Lokosov V.V. Perekhod ot ekstensivnoi k intensivnoi demograficheskoi politike [The Transition from Extensive to Intensive Demographic Policy], 2014, no.3; Shabunova A.A., Lastochkina M.A. Preodolenie sotsial'nogo neravenstva kak impul's k sotsiokul'turnoi modernizatsii [Overcoming Social Inequality as an Impetus to Socio-Cultural Modernization], 2014, no.3; Gusakov M.A. Vyyavlenie napravlenii i putei transformatsii nauchno-innovatsionnogo prostranstva regionov raznogo tipa [Identification of Directions and Ways to Transform the Scientific and Innovation Space in Different Regions], 2014, no.3; Ilyin V.A., Shabunova A.A. Sotsiologicheskoe izmerenie effektivnosti gosudarstvennogo upravleniya [Sociological Assessment of Public Administration Efficiency], 2014, no.2; Popova L.A. Otsenka effektivnosti gosudarstvennykh demograficheskikh initsiativ [Evaluation of Efficiency of the Public Demographic Initiatives], 2014, no.1; Lapin N.I. O strategii integrirovannoi modernizatsii [On the Strategy of Integrated Modernization], 2014, no.1; Ilyin V.A. Novaya povestka dnya i effektivnost' gosudarstvennogo upravleniya [New Agenda and State Management Efficiency], 2013, no.5; Povarova A.I. Regional'nyi byudzheth 2013–2015: stabil'nost' ili vyzhivanie? [Regional Budget for 2013 – 2015: Stability or Survival?], 2013, no.1; Uskova T.V. O roli investitsii v obespechenii ustoychivogo ekonomicheskogo rosta [On the Role of Investments in Sustainable Economic Growth], 2013, no.6; Terebova S.V. Malyi biznes kak faktor povysheniya urovnya zanyatosti i dokhodov naseleniya regiona [Small Business as the Factor Increasing the Employment Rate and Incomes of the Population], 2013, no.5; Povarova A.I. Neeffektivnoe administrirovaniye NDS kak ugroza ekonomicheskoi bezopasnosti Rossii [Inefficient VAT Administration as a Threat to Russia's Economic Security], 2013, no.2; Selin V.S., Selin I.V. Otsenka vozmozhnostei i faktorov innovatsionnogo razvitiya regional'noi ekonomiki [Assessment of Opportunities and Factors Promoting Innovation Development of the Regional Economy], 2013, no.4; Ilyin V.A. Na trudnom puti k sil'nomu grazhdanskomu obshchestvu [On the Difficult Way to Strong Civil Society], 2012, no.6; etc.

⁹ Database of the Russian Public Opinion Research Center. Available at: <http://www.wciom.ru>

in relation to Russia. It was then that he pointed out that a unipolar model is not only unacceptable, but completely impossible in the modern world. He sharply criticized the use of double standards in the international policy of the United States and its allies.

The President's policy of realism manifested itself in the new economic policy of our country set out by V.V. Putin in his pre-election articles as a presidential candidate and in the Decrees of May 2012, signed on the day of his presidential inauguration. The solution of these problems is essential to Russia's national security in the coming decade.

The manifestation of realism can be found in the country's acute problems and their deep internal reasons that were highlighted by the President in his speech at the Valdai forum in September 2013. The provision of strategic security and competitiveness of Russia in the 21st century "is impossible without spiritual, cultural and national self-determination. Without this we will not be able to withstand internal and external challenges, nor we will succeed in global competitions". This requires that Russia "has to have military, technological and economic strength, but nevertheless the main thing that will determine success is the quality of citizens, the quality of society: their intellectual, spiritual and moral strength"¹⁰.

After the coup in Ukraine, the President of the Russian Federation once again exercised the policy of real actions. It took just six days to carry out all the necessary legal procedures in accordance with the Constitution of the Russian Federation for admission of two new entities, the Republic of Crimea and the city of Sevastopol, to the Russian Federation.

On March 21, 2014 the relevant law was signed by the RF President. Thus V.V. Putin has shown the Russian Federation in its new capacity – as a country that not only wants, but is able to defend its national interests.

On August 14, 2014 V.V. Putin had a meeting in Yalta with members of political parties represented in the Russian Federation State Duma; the President again highlighted that special attention should be focused on the priorities of solving current problems of Russia's internal development: **"Regardless of the external political and economic situation, the most important thing for us right now, as always, are our internal affairs, our goals, concerns and objectives that are set before us by the people of Russia, the citizens of Russia. We must focus on resolving our national problems and challenges. Our future is only in our hands. We must ensure high-quality governance and work by political and civil institutions. And most importantly, we must provide high living standards for Russian citizens"**¹¹.

It seems that the scientific analysis of international, political and economic situation in the country and in the world, which has been made by Academician S.Yu. Glazyev in his article "How not to lose in the war", as well as the analysis of possible development scenarios and their impact on the economic and political situation in Russia provides a good basis for further development of a clear program of actions for Russia's President and for the country's political leadership; a program that will help neutralize explicit and implicit threats, both external and internal, to the national security of Russia.

¹⁰ Putin V.V. Speech at the Meeting of the Valdai International Discussion Club on September 19, 2013. Available at: <http://www.cremlin.ru/news/19243>

¹¹ The quoted text is available at the official website of the President of Russia <http://www.kremlin.ru/news/46451>