

On the issue of the mobilization economy in the new social reality

*K.P. Stozhko*¹, *S.N. Nekrasov*^{1,2}, *D.K. Stozhko*³, *A.V. Shilovtsev*^{1,2,*}, and *T.N. Makarova*¹

¹ FSBEI HE Ural State Agrarian University, city of Yekaterinburg, Russia

² FSBEI HE Ural Federal University named after the first President of Russia B.N. Yeltsin, Russia

³ FSBEI HE Ural State University of Economics, city of Yekaterinburg, Russia

Abstract. The purpose of the study is to substantiate the need to develop the "mobilization economy" concept, conditioned by the new social reality that has developed over the past decades, as an alternative to the concept of a liberal market model. Growing macroeconomic and geopolitical instability and uncertainty, steadily increasing threats and risks determine the dynamics and multidirectional nature of modern socio-economic processes, which creates the need for society to develop new economic development scenarios adequate to modern challenges. The article reveals the content and nature of the "mobilization economic model" and its determinancy by the growing trend towards socialization and production concentration, its further diversification. In the context of inefficient and unfair competition spread in modern conditions, general decline in the efficiency of small-scale production, and crisis of the participatory management model, the authors reveal specific prospects and directions for the formation of a "mobilization economic model" as a backup option for force majeure political and economic situations and most appropriate to the era of the globalism crisis, the growing civilizational confrontation of the collective West to other poles of the world development and the risks associated with these circumstances (price and trade wars, sanctions policy and degradation of free market economy principles).

1 Introduction

The need for a mobilization economy as a backup (reserve) model of socio-economic development capable of effective functioning in force majeure conditions has recently been increasingly discussed among economists, philosophers, political scientists, sociologists [1-5]. In practical terms, many countries have recently been increasingly reducing market freedom, introducing direct state regulation elements, and even trying to nationalize large corporations, especially in the energy sector, due to the current energy crisis.

In particular, Germany has already prepared a special plan allowing for the nationalization of energy companies, and is going to nationalize the largest energy concern "Uniper". France is nationalizing one of its largest concerns, Electricite de France SA, and plans to nationalize the EDF energy company. Similar aspirations are observed in other

* Corresponding author: a.shilovtsev@mail.ru

world economy areas, where the trends towards resource mobilization and nationalization of large corporations are increasing. So, over the past decade, large banks, oil, technology corporations, etc. have been nationalized in China, India, Egypt, and other countries. Selective nationalization has long been a typical phenomenon in the economic policy of states in the context of global macroeconomic crisis. For example, there are 29 banks with majority participation of the state in India. In China, almost the entire banking system is under state control. The possibility of the Lloyds Banking Group nationalization is being actively discussed in the UK. The decision on nationalization of the largest bank of Ukraine "Privat-bank" was made.

The mobilization of economic resources in the hands of the state, the centralization of their management is increasingly becoming a reality. This concerns not only material, but also human resources, as evidenced, for example, by the partial mobilization announced for the first time since 1945 in our country on September 21, 2022. This will require a significant restructuring of the material and financial support system for the armed forces, which is already evident by the legislative activity of the highest state institutions.

The mobilization model is necessary for the public legitimization of property, increasing the efficiency of the functioning of economic institutions and minimizing social inequality. This problem is quite acute in modern Russian society. There are a number of reasons for this. First, in the conditions of the emerging new social reality, determined by the crisis of globalism, multiculturalism policy, growing confrontation between Russia and the collective West, deep economic and environmental crisis, the society, its character and structure are changing. According to the figurative remark of U. Beck, modern society is a "risk society" [6]. Second, the market economy model that has been formed in Russia over the past three decades has shown its inefficiency in many key parameters (raw materials orientation, zero GDP growth, unfair competition, constant growth in prices and production costs, etc.). Third, as evidenced by the results of the state property privatization carried out hastily in the 90s of the XX century, some of the enterprises fell into private hands by not entirely legal means and by now have either been repurposed, resold to third parties, or even turned out to be bankrupt. That is why the legitimization of property means, first of all, a revision and audit of the privatization results, no matter how much the new owners would like it. Liberal arguments about the "amnesty of capital" have already justified privatization for a long time, which turned out to be a trigger for the growth of socio-economic inequality in Russian society. Another question is whether the state is ready to carry out such legitimization of its former state property and its partial withdrawal (nationalization) for the public benefit. Naturally, such legitimization should be carried out and based on a differentiated approach in the estimates of production and distribution. During the period from 1991 to 2022, nine managerial generations have already changed. It is obvious that the management process, in particular, the most common participatory management model, has changed significantly during this time [7-10]. All this, taken together, makes the development of the mobilization economy model as a reserve format for its development in emergency conditions extremely relevant.

2 Methods

The study was conducted using dialectical analysis, hermeneutics, statistics, historical-retrospective, program-target and structural-functional methods. The object of the study is the economic development of the country, the subject of the study is the mobilization economy model, adequate to macroeconomic instability and growing turbulence.

3 Results

Ten years ago, the President of the Russian Federation V. V. Putin instructed the Russian Academy of Sciences to prepare a report "On a set of measures to ensure Russia's sustainable development in conditions of global instability." This topic was discussed at the Moscow Economic Forum in 2013, where six different specific models of economic development were proposed, one way or another related to the development of economic democracy and the formation of a new type of economy – the "participation economy" [11].

Nevertheless, over the next decade, events occurred that showed the inconsistency of the ideas of "economic democracy", "sustainability of economic development", and "participation economy" in conditions of high turbulence and steadily increasing risks, spread of unfair competition, inconsistencies of a number of laws, and established law enforcement practice. Here we can note the ecological catastrophe near Norilsk on 23.03.2021, numerous fires at industrial enterprises of the country, growth of corporate bankruptcies in the conditions of the Covid pandemic, etc.

The nature of modern society in the conditions of economy digitalization is becoming fundamentally different than before. With the emergence and development of the "fast-reacting production" model [12], an "information society" appeared (Yu. Hayashi), which has passed the endurance test in the conditions of the pandemic spread. It can be noted that there are two main trends in the social production system. On the one hand, this is a trend towards the individualization of economic activity, its personalization, democratization, and virtualization. On the other hand, it is a tendency towards collectivization of production, its further socialization, concentration, and diversification. Conditionally, both trends could be designated as centrifugal and centripetal. Currently, as the consequences of the Covid pandemic are overcome and the confrontation between the collective West and Russia intensifies, the second trend is beginning to prevail, due to various exogenous and endogenous factors. The optimal response to its strengthening is precisely the model of the mobilization economy, which is anti-crisis and stabilizing in nature.

Historically, such a predominance of the second trend has led precisely to the creation and use of a mobilization economic model in many countries: under the watch of I. V. Stalin in the USSR, under S. de Gaulle in France, under F. D. Roosevelt in the USA, etc. Whether it was an indicative planning model, as in France, or the "new deal" in the USA, they all represented precisely a mobilization economy, i.e. a set of anti-crisis management measures with a serious strengthening of the state role as an integrating mechanism and the statistization of key sectors of national economies.

Before joining the information society, Russia also faced the need to build a new economy and a new type of socio-economic relations. But instead of the declared free market type system, a fundamentally different system has developed in the country – state monopoly capitalism (SMC). Traditionally, this system causes rejection among market economists (liberals) and many Russian oligarchs. There is one reason – the latter do not want to share the excess profits of private monopolies (corporations) with either the state or society. As far back as 2017, then existing Assistant of the President of the Russian Federation, and now Deputy Prime Minister of the Russian government A. R. Belousov proposed to the largest metallurgical enterprises to give 513.7 billion rubles in favor of the state of such excess profits that were received "for free", due to favorable market conditions. Despite the fact that the tax burden on these companies remained significantly lower than in other industries: 7% versus 28% in the oil and gas industry [13, p. 164]. Nevertheless, nothing came of it. Even now, in 2022, in the conditions of open confrontation between the collective West and Russia, large Russian corporations continue to extract their excess profits by supplying oil and gas to Western Europe, which is pursuing an aggressive sanctions policy against the Russian Federation. Not to mention the

gold, of which 249.98 tons were mined in Russia in 2021, and 140.4 tons were exported, i.e. 2.6 times more than in 2019 [14]. People say about this: "war is when one fights to the last ditch and another gets rich".

Nevertheless, the sanctions announced by Western countries to Russia have further increased the need for an urgent transition to a mobilization economy and have exacerbated the demands of the Russian people to implement radical changes on the agenda. First of all, to change the economic model and the domestic economic policy vector from encouraging private business to the priority development of the public sector of the national economy. Somehow, it has become a common thing for the state to constantly help private entrepreneurs who refer either to climate problems or to covid restrictions. To help by writing off tax arrears, preferential loans, increasing public procurement, etc. What, in fact, has private business done and is doing for the state?

Since the time of perestroika, for more than thirty years, we have been listening to the same theses from them and their representatives in science, in power, from the arsenal of the ideology of market fundamentalism: a focus on entrepreneurship freedom, reduction of social and defense spending, reliance on market regulators to solve the problem of inflation, further privatization of the remaining attractive state-owned enterprises. But the unrepresentable "collective portrait" of Russian oligarchs somehow does not inspire [15].

We can say that the new reality, which modern authors talk about quite often today [16-19], challenges our country: either all illusions and myths about free competition, market economy, and private entrepreneurship will be dispelled in the public consciousness, or our country will finally get stuck in a transitional state when, to use the words of N. V. Gogol, "neither this nor that, neither here nor there".

According to the judgment of the English historian A. J. Toynbee, when a challenge arises - a sharp change in living conditions - society cannot immediately give an adequate response and change the way of life [20]. But the three decades, that have passed since the collapse of the Soviet Union, are more than enough time for such an answer. To understand the urgent need to give such an answer to the challenges of the time, we give the following judgment: "Continuing to live and act as if there is no "challenge", as if nothing has happened, culture is moving towards the abyss and culture is dying" [21].

In this regard, we note three important facts. First, a pure free market economy has never existed in the history of mankind and does not exist anywhere now, it is a near-scientific abstraction, a simulacrum, an abstract concept, an invention of those economists who are used to think in abstract forms. Second, the mobilization economy, unlike the market economy, as it may not seem strange to someone, has a cost-effective mechanism [2, pp.77-86]. It was thanks to this mechanism that in Soviet time, up to the famous reform of A. N. Kosygin, as a result of which not planned production volumes, but profit in its monetary form became a key indicator of the functioning of enterprises, the cost of product and prices for it were constantly decreasing. Third, the complex geopolitical and economic situation, in addition to its risks and threats, creates at the same time real opportunities and incentives for the formation of a new economy model - the mobilization economy. Our country has experience in this issue. It is enough to recall the theory and practice of mobilization plans, which became widespread in the conditions of the most severe trials during the Great Patriotic War of 1945-1945 [22, 23].

Due to the changed real conditions of our state and society existence, the time is probably coming for the emergence of a new political and economic elite in the country. This is explained by the fact that "liberal reforms aimed at realizing the selfish interests of global monopolies at the present stage of development have actually turned out to be incompatible with the normal development of human society and push us into a new Middle Ages, which by its very nature will not remain computer-based for very long. To resume social and technological progress, a radical, categorical break with liberalism and

the values it inculcates in all spheres of public life is necessary. In modern Russia, the interests of our preservation require, first of all, the modernization of infrastructure, without which the country will inevitably lose its integrity" [24, p.790].

It should be noted that the economic development of our country from 2000 until 2022 was somehow multidirectional and fragmented - the military-industrial complex "broke out" ahead, then the agro-industrial complex became the leader in terms of development rates, then the fuel and energy sector turned out to be the trigger of economic growth, etc. But, on a larger scale, although various doctrines and strategies were written and adopted, it is difficult to get rid of the idea that all this was an imitation of business and economic activity. Especially against the background of the crisis in the social sphere, failed reforms in education, pension system, and healthcare "optimization". In the conditions of new social reality, it was not human intelligence, but rather nature and its riches that saved Russia from the failure that its opponents had hoped for. It turned out that not only a country that produces something, but also one that has extensive reserves of hydrocarbons, industrial raw materials (coal, ores, forests, etc.), fresh water, rich biogeocenoses can be the developed one (with the correct distribution of income). Like Saudi Arabia or the UAE, which invest revenues from hydrocarbons in construction, road construction, light industry, and services, the Russian Federation could quickly and successfully renovate its economic infrastructure. But this requires the principle of income mobilization and the definition of a priority direction in the socio-economic development of the country, but not liberal waste and private appropriation. The same natural rent, if it were directed entirely to the development of the agro-industrial complex, would contribute to its dynamic rise, but for now it settles in the pockets of Russian oligarchs [25].

On the other hand, from the very beginning, the growth of the wellbeing of new owners took place against the background of the deindustrialization of the country and the growth of unemployment, with a constant decline in real incomes of the population. All this gave rise to blatant social stratification and inequality, when the coefficient of such inequality (the Lorentz coefficient) in Russia jumped from the beginning of 2000 to 2021 to 20 or more points (whereas in the countries of Scandinavia and Germany it fluctuates in the range of 3-7 points). According to another inequality coefficient in the distribution of wealth (income) – the Gini coefficient – the Russian Federation is at the level of 39.9% [26].

Until now, Russia has been in a state of permanent economic collapse, when, despite some achievements and successes, the national economy still continued to stagnate. Stagflation has become its most characteristic feature. Therefore, the transition to a new and more organized, centralized, and managed model of the economy is the answer that our country can give to the challenges of the new reality. Here it is necessary to reformat our own consciousness, comprehend the new reality and find an innovative answer. Reasoning about this reinterpretation S.G. Kara-Murza writes: "The death of Russia is the "erasure" of its central ideological matrix and value scale. Such a catastrophe is very unlikely, but the simultaneous degradation of many system-forming structures for Russia makes it basically possible" [27, p. 39]. The danger of degradation remains quite serious so far. The fact is that people's self-consciousness has been changing significantly over the past decades [28], including the value orientations of representatives of the Russian business world [29], and not for the better.

The first step towards the practical implementation of the transition to the mobilization model of the economy was the growth of the public sector in its structure. If in 2000, according to the FAS, it was 35%, then in 2014 it was already 70%. The share in the revenue of the largest companies of the machine-building complex increased to 79% by 2017, in the oil and gas industry – to 63%, in the banking sector - to 92% [30].

The result of the mobilization economy model development can and should be the legitimization of property (its revision and audit), and a strict limitation of the scale of

socio-economic inequality in Russian society. It is known that the state limits the minimum wage (minimum statutory monthly pay), but the upper limit remains outside such restrictions, which allows specific public servants and officials to enrich themselves unreasonably on legalized grounds. We believe that in this matter it is urgently necessary to make the necessary changes to the relevant (labor) legislation. In addition, it is necessary in the coming years to completely reformat the structure of the Russian economy and nationalize monopolies in the most important (key) industries: energy, transport, metallurgy, mechanical engineering. In other sectors (consumer goods industry, services), more opportunities for private initiative and entrepreneurship could be provided. Such reformatting and concentration of "commanding heights" in the state hands will increase the degree of manageability and efficiency of the Russian economy. Including by restoring the system of macroeconomic planning in the form of indicative planning, as well as significantly de-bureaucratizing management practice.

An important aspect of the transition to the mobilization economy model is the tightening of administrative and criminal responsibility for serious economic crimes related to corruption, postscript, illegal export of capital, embezzlement of financial and material resources. Liberal restrictions of the law that exist in law enforcement practice, such as pre-trial agreements, early release or debt cancellation, should be discontinued. Without this, neither financial, nor labor, nor any other discipline in the economy will be able to be provided. But among the most important levers that can significantly increase labor productivity and the efficiency of the economy as a whole, there is also such a lever as a fuller use of the creative potential of the workers. In the age of information technology, when there are the necessary technical capabilities for continuous automation of production, the creation of manless plants and factories, this factor is extremely relevant. The level of science and technology development makes it possible to create comfortable conditions for creative activity, innovation of all able-bodied citizens, freeing them from the exhausting struggle for individual survival, giving them free time for comprehensive development [31]. Accordingly, the transition to a mobilization economy means not only the concentration of all the most important economic resources in the state hands, but also the corresponding state policy in the field of formation and use of the country's social capital, its intellectual assets. The mobilization of creative potential should begin now already at school and university, which requires a serious increase in the efficiency of their public administration. Not teachers, in addition to their main pedagogical work, should earn financial resources for the maintenance of public educational institutions, but the administration of educational institutions (management) is obliged to seek opportunities for full-scale financing. Otherwise, why such an administration is needed by the state and the people, which is enriched only at the expense of the teaching staff and the state, setting sky-high salaries and bonuses? It is no secret that the "fifth column" of liberals, former administrative and government officials, migrated over the past three decades to the system of higher education institutions, took control of them and settled down tightly on their "feeders". Having generated a fundamental conflict with the teaching staff, imposing on it various kinds of additional responsibilities and so-called additional or "effective contracts", this administration, in fact, is conducting destructive work, as evidenced by the constant outflow of young personnel from educational institutions, falling enrollments of applicants who are trying to compensate at the expense of foreign persons, a decrease in publication and scientific activity, etc.

4 Discussion

The problems of the mobilization economy have long and constantly attracted the attention of researchers. This is explained not only by political factors (aggravation of the

international political situation, redistribution of influence spheres in the world, military conflicts, etc.), but also by quite economic circumstances (cyclical economic development, protracted phases of recession and stagnation, etc.). In modern conditions, interest in the possibilities and features of the mobilization economy model has increased markedly [32-37]. At the same time, there remains a skeptical and even negative attitude to its capabilities, the opinion that "mobilization scenarios ignore institutional factors, including ethical ones, and offer an approach to the formation of economic policy based on idealization and generalization of the experience of pre-war resource mobilization of totalitarian societies and attempts to reproduce it without considering new institutional conditions" [38, p.85]. But times are changing. Such judgments formulated in peacetime and economic growth are hardly valid for a situation of stagnation and military actions. It seems that such unambiguous judgments are also unfair in terms of ignoring institutional transformations, which sometimes simply require far from liberal scenarios and economic solutions. In any case, as a backup scenario that can be useful in extreme cases, the model of the mobilization economy should be developed, adapted to current conditions and stay at the disposal of science and government. The attempts of the collective West to drag our country into a long-term active confrontation and weaken the national economy cannot be ignored.

5 Conclusions

The mobilization economy is a special variant of the national economy management system, adequate to emergency conditions. In this regard, whether someone likes it or not, this model should be in the arsenal of the state's economic policy because "forewarned is forearmed". Accordingly, personnel should be ready for such emergencies.

It is known that "cadres are determinant". Only these "cadres" are different, and as a condition for the transition to the mobilization economy model in the context of emergency situation, their update [39], de-bureaucratization, professional development [40], audit, and reduction of managerial personnel is necessary. In military terms, a society living in conditions of high external and internal threats needs not only highly organized and effective armed forces, but also new labor resources, new human capital, an army of creative, disciplined and responsible people who will have to equip and preserve the future of Russia. Here an important step towards a new normality of the socio-economic development of our society will be the ideological and organizational overcoming of the consequences of economic liberalism, rallying the entire multinational Russian people around *their* state, raising national consciousness and self-awareness.

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