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## Economic Security Provision Models of National Industrial Development (Case Study of Russia, Post-Soviet Countries and English-Speaking Countries of G-20)

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**Abstract.** The main scientific aim of this work lies in improvement of the existing scientific positions in the sphere of industrial development economic security provision on the national level. The existence of two economic security provision models of industrial development that are applied in the countries of Community of independent states and in English-speaking countries of G-20 was grounded. The key features and characteristics of these models functioning. Design/methodology/approach were revealed: The work is based on the complex use of a number of methods of scientific research, including methods of analysis and abstraction, historical and logical approaches, methods of deduction and induction; graphic and statistical methods, as well as the system method. Scientific works of leading Russian economists in the field of the research, as well as the data of official statistics of Russia, Ukraine, Belarus, Kazakhstan, the USA, Canada, Australia, the UK, Saudi Arabia were used as an information base of the study. Findings: the study was based on the hypothesis of the similarity of the economic security provision models of industrial development of Russia and other countries of Community of independent states, as well as on the significant difference between this model and the analogues of developed foreign countries. Research limitations/implications: this research is limited by the papers indexed in the Scopus database and presenting a systematic literature review. Originality/value: it was proved that economic growth in foreign countries is largely determined by long-term investment, the main directions of which are research and development, education, healthcare, infrastructure development and etc. Deserves attention and that the raw share in the gross production fund of the developed countries is comparable with the corresponding figures in Russia. A comparative study of monetary policy of Community of independent states countries and G-20 countries was carried out. Impact of monetary policy of the researched group of countries on the investment process and industrial growth and development in the long term was determined.

**Keywords:** industrial development, investment, monetization, interest rate, national economy.

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## Introduction

The relevance of the issues of ensuring the Russian Federation industrial development in the medium term is determined by a number of overdue contradictions that require prompt solutions. Among these contradictions are the following:

1. Since 2014, the vast majority of world commodity markets have been characterized by a decrease in prices and sales volumes. At the same time, the main part of Russian exports and a significant part of domestic production continue to have a raw material character. Most part of economy is still focused in the industrial sector.

2. For a long period of time Russia has been committed to the convergence and integration of the national economy into the global economic project. These areas institutionalized in accession to the World trade organization and liberalization of government economic policy in accordance with the recommendations of the International monetary fund. Despite the chosen course of development and the steps taken in this direction, the main world economic players (conditionally – the G7 countries and the European Union) make it difficult for Russia to enter the markets of finished high-tech products, block the implementation of Russian energy projects abroad, aggressively promote their producers to the markets of Russia and neighboring countries. The policy of Russia containment is carried out using military and political methods. Against Russia were declared economic sanctions and imposed restrictions, which largely make all globalization aspirations unilateral.

3. Economic development in the period 2008 – 2012 was associated with the modernization program, declared by President D.A. Medvedev in 2008. In 2014, the import substitution program was launched. Despite

a number of indisputable successes in the implementation of these programs, the average rate of real growth of the Russian economy in 2008 – 2017 amounted to 1% per year, which is significantly inferior to the average global rates, as well as the rates of a number of developed and developing countries. The lack of significant success in the implementation of economic development programs, accompanied by increased pressure on Russia from foreign partners and unfavorable commodity markets, makes it necessary to revise the existing model of economic growth of Russia.

Problems of economic security provision in conditions of widely spread sanctions and trade wars become relevant. Used models of economic security provision are to be revised. Industrial growth that is a traditional driver of Russian economy needs new supervision tools. In this case foreign experience is worth to be analyzed.

## Research methodology

In the course of the study, a set of methods of scientific knowledge were used, including: analysis and abstraction (during the identification of economic security provision models of industrial development of the researched group of countries); historical and logical approaches (in the study of the dynamics of key macroeconomic parameters of the industrial development of the studied countries); deduction and induction (in the study of theoretical and methodological foundations of long-term economic growth of Russia in modern conditions); graphic and statistical methods (during the primary processing of the information base of the study); systematic method (with the purpose of substantiation of complex measures in the sphere of Russian industrial growth economic ensuring). The information base of the research was formed by scientific works of Russian and

foreign specialists devoted to the problems of industrial development economic provision at the national level. As an information base we also used official data of state statistics of Russia, countries of Community of independent states (Ukraine, Belarus, Kazakhstan) and English-speaking countries of G-20 with a sufficient part of commodities sector in national economies (USA, Canada, Australia, United Kingdom, Saudi Arabia).

The issues of Russian industrial growth and development economic security provision are the subject of research of such economists as S.D. Bodrunov, R.S. Greenberg, S.Yu. Glazyev (2016), O.G. Dmitrieva (2011), V.V. Ivanter (2016), M.A. Korobeynikov (2013), A.L. Kudrin (2011), V.L. Makarov (2013), V.A. Mau (2016), A.D. Nekiplov (2013), A.S. Porshakov (2010), A.V. Ulyukayev (2015). There is no single point of view on the issues of ensuring sustainable high rates of national industrial growth in Russian scientific literature. Economic security problems are also under debate. Moreover, there is a tough debate on monetary and fiscal policy, reducing the rate of consumer prices growth, the nature and degree of state regulation of the economy, priority areas of economic development, vectors of international economic integration, regional economic policy of Russia. Comprehensive consideration of the opinions, ideas and proposals set out in the modern Russian scientific literature makes it possible to systematize existing positions, to propose and justify some directions of ensuring the economic development of Russia in the medium term.

It should be noted that the problem of economic security provision of national industrial development is also in the focus of foreign scientists and economists. The works of foreign colleagues put forward a wide range of hypotheses regarding the identification of factors influencing industrial growth. As the subjects of this kind of research (and, accordingly, the factors of influence) were identified: foreign direct investment (Rafat, 2018); the level of development of stock market institutions (Fufa & Kim, 2018); membership of countries in international economic integration associations (in particular, the TRANS-Pacific partner-

ship (Khan et al., 2018) and the Association of Southeast Asian Nations (Karimi & Daiari, 2018)); the level of openness of national economies (Lee & Kim, 2018); the level of efficiency of natural resource potential and energy efficiency (Baloch et al., 2018); innovation, development of science and education (Batabyal & Yoo, 2018); demographic and urban processes (Ibrahiem, 2018; Cruz & Ahmed, 2018; Frick & Rodriguez-Pose, 2018); state fiscal policy (Esteve & Tamarit, 2018); the dynamics of the national currency and foreign remittances of individuals (Pontarollo & Mendieta Munoz, 2018); form of administrative-territorial structure and methods of regional management (Pink-Harper, 2018). We also note the significant interest of researchers in the processes of economic growth in developing countries, such as Liberia, Egypt, Pakistan, Vietnam, Ecuador and other Latin American countries (Khan et al., 2018; Roquez-Diaz & Escot, 2018; Baloch et al., 2018; Bunte et al., 2018; Ibrahiem, 2018; Maune, 2018; Nguyen & Pham, 2018; Pontarollo & Mendieta Munoz, 2018). Worth to be noted works that a devoted to post-socialist country of Eastern Europe, such as Slovakia, Slovenia, Poland, Lithuania, Czech Republic (Mahmood & Ahmad, 2018; Raisová, 2018).

In the majority of modern works published in foreign scientific periodicals, national economic growth and industrial development is considered in isolation from the key parameters of monetary and fiscal policy. Priority is given to the study of a number of microeconomic parameters. In our view, the neglect of monetary policy factors in macroeconomic regulation in developing countries is erroneous. Disregard of the economic security provision problems is also worth to be fixed. The solution of this issue requires the identification of individual countries models of industrial development economic security provision, interpreted graphically for comparison and subsequent analysis.

The purpose of the article is to identify the model of economic growth and industrial development of Russia on the basis of comparative analysis (comparison of macroeconomic indicators of Russia, countries of Community of independent states and English-speaking countries of G-20 with a sufficient part of com-

modities sector in national economies, as well as the justification of the basic directions of increasing the new industrial development of Russia.

#### **Modern views on economic security provision of national industrial development**

The deepening of the financial and economic crisis, negative trends on commodity markets and sanctions pressure (mostly affect industrial markets) – have become the main challenges for the economy of the Russian Federation in 2014-2017. Sanctions against Russia are not a new phenomenon and have actually taken place throughout recent history. Foreign partners prevent many of Russian attempts to import high technologies in industry and organize innovative cooperation. Long before the announcement of the sanctions was effectively blocked attempted acquisition of the company Opel by Sberbank of Russia (in consortium with Magna International Inc.). After the Volkswagen Corporation launched a large-scale high-tech production of engines in Russia (a plant in Kaluga with a production capacity of up to 150 thousand units of gasoline engines per year) with a wide geography of export deliveries, fines of \$ 18 billion were imposed on it according to questionable charges. These and many other examples demonstrate the comprehensive and indefinite nature of technological deterrence and the blocking of all opportunities for the innovative industrial development of Russia.

Special attention should be paid to attempts of economic integration prevention in the post-Soviet space in order to limit the infrastructural possibilities of exporting raw materials and industrial goods to the European market by creating a belt of buffer States. These and many other examples of unfriendly actions (some of which have moved from the political to military plane) show that in the future the pressure from foreign partners will only increase.

The crisis in the Russian economy took the form of stagflation. About it directly specify the works of S.Yu. Glazyev (2013) and V.A. Mau (2016). Current situation has a negative impact on the dynamics of key indicators

of the national economy functioning and determines the strict need to find solutions to justify further directions of development of Russian industrial sector.

In modern economic science there are two fundamental approaches to solving the most acute problems and overcoming the consequences of the financial and economic crisis. Note that the definition of certain scientists-economists as supporters of one of the points of view is very conditional. In their publications, the authors often formulate various proposals that overlap with elements of one or another approach. The very formulation of the question of two principled and antagonistic positions existence in relation to ensuring Russia's economic and industrial development has become possible relatively recently. Two competing points of view among all the participants crystallized from all the diversity of views during the Presidium of the Presidential Economic Council meetings.

The first point of view is defended by a group of economists, the most prominent representative of which is A.L. Kudrin. In his works took a logical continuation the E.T. Gaidar's concept of the use of the exchange price of oil as a key indicator for macroeconomic planning in Russia (Kudrin, Gurvich, 2014). All macroeconomic policy of the state within the framework of this concept is conditionally determined by the amount of oil and gas revenues, on the basis of which the policy of public spending, monetary policy is based, the exchange rate and key development directions are determined. Respectively, industrial development and its economic security fully depend on the oil market indicators.

It should be noted that as the main indicator determining the stability of the domestic economic situation in the country (in fact interior economic security), within the framework of this concept, was indicated the rate of consumer prices growth. Inflation is seen in part as a function of the money supply (the M2 monetary aggregate is used in analytical publications). Analyzing the crisis situation, the authors, adhering to this concept, argue that Russian economy experiences ahead and unjustified growth of imports, reduces efficiency,

rising inflation and increased social burden on the budget. All this is seen as destructive factors that increase negative expectations in the course of further aggravation of the financial and economic crisis.

Supporters of this concept criticized the expansion of directions and volumes of oil and gas revenues use in the country's budget in the period up to 2014. And on the example of other oil-producing countries (Venezuela and Norway) it was recommended to increase the norms of budget revenues from oil and gas exports reserving. In modern conditions, when the fall in oil prices has reached significant values, it is proposed to abandon the taxation of energy exports in the medium term. It is indirectly indicated that the money issue is tied to the volume of export revenue, and accordingly, the increase in the values of export revenue, which leads to the growth of the monetary aggregate M2 in the economy – increases inflation.

In the works of V.A. Mau (2016) and A.V. Ulyukayev (2015) indicated the importance of maintaining a liberal monetary policy. The absence of currency restrictions is considered as the main condition for the development of foreign trade and investment in Russia. At the same time, inflation reduction is defined as the main condition for reducing the key rate and increasing the volume of lending to the real sector. Among the priority areas of development that can stimulate economic growth in the future are: deregulation of the economy; support for small and medium-sized businesses; protection of property and security of entrepreneurs; removal of barriers to exports and imports. In turn, A.L. Kudrin defines the list of priority macroeconomic anti-crisis measures: reduction of state budget expenditures (at the expense of social and defense expenditures), tightening of monetary policy, reduction of inflation, creation of market institutions; development of market infrastructure.

Representatives of the alternative point of view, the most prominent supporter of which is S.Yu. Glazyev, point to the inconsistency of the arguments presented above (Bodrunov et al., 2013; Ivanter, 2015; Korobeynikov, 2013). It is indicated that in an attempt to reduce in-

flation, through the limitation of monetary emissions, the economy is demonetized, which reduces the availability of working capital for enterprises and reduces the possibility of economic growth and industrial development. It is pointed out that the world practice shows the groundlessness of the requirements to reduce budget expenditures and balance the state budget (rejection of the budget deficit), especially in a crisis. As a consequence of the policy of containment of the money supply, the staff of The Institute of Economic Forecasting of the Russian Academy of Sciences (IEF RAS) in the course of calculations identified a high level of underutilization of production capacity in the industry (Ivanter, 2016).

The ideas of deepening market reforms, deregulation of the economy and further liberalization of public policy are at odds with the arguments of V.L. Makarov. He proves the prospects for the development of the project approach in industrial development economic security provision (Makarov, 2013). The design approach in this case is a response and a continuation of the ideas of S.Y. Glazyev on the trust issue of money. In this situation, S.Yu. Glazyev's target emission is a tool and V.L. Makarov's project approach is the task for the industrial development. Accordingly, the goal is the long-term economic growth and development of the country. Naturally, that projects with strictly defined monetary resources is the object with stringent parameters of implementation that cannot be deregulated. It is fair to note that market actors operating within an effective market infrastructure are important agents of growth. However, in our opinion, it is not necessary to mix the institutional foundations of the national economy (primary basis) and certain elements of infrastructure (secondary conditions) of industrial development.

The convincing evidence of the non-monetary nature of Russian inflation, set out in the O.G. Dmitrieva's (2011) work, deserves attention. Materials of this research indicate that the greatest contribution to inflation is the growth of utility tariffs and tariffs of natural monopolies. In other words, inflation is the result of a more lenient policy of shock therapy, when

in the process of abandoning the paternalistic model, the state drops a number of obligations and shifts them to the population through the mechanisms of rising prices and tariffs. To such conclusions also came A.S. Porshakov (2010) in his work, based on a number of cross-country comparisons. This confirmed the non-monetary nature of inflation not only in Russia but also in many other countries. V.V. Ivanter (2016) also criticized the linking of economic growth and inflation, logically justifying their independence from each other. At the same time, we note that most economists point to the devaluation of the ruble as the main cause of high inflation in 2014 – 2015. Recall that the devaluation of the autumn-winter 2014 was the result of a large-scale withdrawal of capital abroad, and the key rate had to be increased unprecedentedly in order to prevent the use of credit resources of the Central Bank in the market of the rapidly falling national currency. Thus, the presence of currency control, together with a number of other restrictions, could (and may in the future) stabilize Russian national currency, affect the decline in inflation and ensure the stability and predictability of key internal economic security indicators. This could have a much more important impact on foreign investors in the long term. In our opinion, V.V. Ivanter's (2015) argument that tightening of government monetary policy and the fight against the criminal export of capital are worth not to be confused is rather valuable. The most liberal in economic terms countries strictly regulate the processes of capital movements and deter transfer pricing.

Thus, in our view, the definition of the issues of combating inflation as priorities for economic growth and industrial development is a false path. Especially in terms of economic security provision. In turn, the reduction of public spending and the demonetization of the economy in the process of inflation fighting to ensure economic growth and industrial development – the wrong cure for a non-existent disease for a patient in dire need of a completely different therapy. Thus, in our opinion, taking into account the main provisions of the modern scientific discussion in the sphere of economic security ensuring of Russian industrial growth

and development, it is necessary to formulate a number of intermediate conclusions:

1. The current economic security provision model of industrial development, used in Russia, is the object of criticism, but in the scientific literature it is not described and not systematically characterized. Some elements of this model or some decisions of economic authorities are criticized. Thus, it is not possible to talk about the inefficiency of the existing model and the need to apply amendments and changes. Some authoritative scientists (Ivanter, 2016; Korobeynikov, 2013; Makarov, 2013; Nekiplov et al., 2013) point to the lack of a model of economic growth in Russia as such. However, in our view, this is not entirely true, and the model should be identified, as well as its key characteristics.

2. The set of anti-crisis measures proposed by the liberal economic scientific community is not complex and does not answer a number of fundamental questions. In particular, there are no scientifically based conclusions about the relationship between the level of development of a fairly abstract market infrastructure and the specific economic growth of Russia in a certain perspective. Even more abstract from the macroeconomic point of view are such concepts as market freedoms, business security, small business development, deregulation. At the same time, it is obvious that market infrastructure, business security, reduction of corruption are important conditions for national economic security and industrial development. However, it is impossible to draw up a plan for medium – and long-term development, especially to form a macroeconomic growth model, using the above parameters.

3. The model of economic growth formed within the framework of academic science is largely more capacious and justified. It is based on specific parameters, takes into account foreign economic and political challenges, as well as threats. At the same time, despite all the positive features of this model, it is not accepted as a basis and continues to be considered as an alternative. In our opinion, the country's leadership reasonably fears that large-scale investment resources will fall not into the real sector, but into the open financial

market, which will cause a new series of market externalities. Any monetary issue, intended for the direction of the business entities via banking institutions, which can be dissolved in these institutions.

At the same time, despite a number of debatable components of the liberal economic model, some of its provisions answer the requests on ensuring the efficient use of the target emission resources. It requires the application of elements of a liberal model, which implies reliance on strong mechanisms of market self-control, competition and self-regulation, which would be provided by the relevant market infrastructure. However, to date, there are no such market institutions. And schemes of their creation and development in the literature is not described.

Thus, the further solution of the following tasks is promising: identification of the existing Russian economic security provision model of industrial development; study of foreign experience of functioning of various models of economic security and implementation of appropriate cross-country comparisons. Consideration of this experience in the modification of the Russian economic security provision model of industrial development; development of systems and mechanisms for effective management of resources of the target monetary issue at the regional level and at the level of business entities.

#### **Analysis of economic security provision models**

This part of research is devoted to analysis of economic security provision models of industrial development, that are used in Russia, Countries of Community of independent states (Hereinafter – CIS countries) and English-speaking countries of G-20 with a sufficient part of commodities sector in national economies.

The scientific literature often mentions the assumption of the absence of any economic security provision model of industrial development in Russia. The researchers in this case proceed from the fact that the policy implemented by the economic authorities is characterized by unsystematic and ineffective. In our

opinion, this is not true, and the Russian Federation has a specific model of economic growth.

The analytical study was aimed at determining the key features and characteristics of the economic security provision model of industrial development used in Russia. Research was based on the hypothesis that this model is not unique and is used in other countries. At the same time, we assumed that confirmation of this hypothesis by finding countries with similar macroeconomic characteristics would be incomplete. A higher level of substantiation of the hypothesis is that systemic inefficient model of economic growth in Russia can be achieved by finding the same homogeneous group of countries with significantly different (or opposite) macroeconomic policies.

Our hypothesis was formulated as follows. Russia and the CIS countries are implementing the same model of economic growth, which is not effective and has a negative impact on the development of these countries. As the CIS countries for the analysis we have chosen the nearest neighboring countries (CIS member States) with the most developed economies (Belarus, Ukraine, Kazakhstan).

In case of confirmation of the hypothesis and finding common elements of the applied model of economic growth, we consider it appropriate to check the availability of an alternative model on the basis of statistics of the English-speaking countries of G-20 with a sufficient part of commodities sector in national economies (United Kingdom, Australia, Canada and the United States). The choice of these countries is due to the fact that three of them (the United Kingdom, Canada and the United States) are part of the G7, which is considered the club of the most highly developed countries. Australia – a country close to the standard of living with the rest of the analyzed countries, is part of the G20 and implements economic policy within the framework of the model traditional for the countries of the British Commonwealth. It should be noted that despite the high level of economic development in the researched group countries, raw materials and energy sector is one of the main and plays an important role in the formation of the General Fund of gross production (Table 1). In

Table 1. Raw materials industries in the structure of gross production of Russia, Saudi Arabia, CIS countries and English-speaking countries of G-20

	2002	2005	2008	2009	2010	2011	2012	2013	2014	2015
Mining, oil and gas production in the structure of Canada's GDP	27%	38%	49%	31%	38%	42%	34%	35%	31%	22%
Oil and gas industry in the gross operating profit of the non-financial sector of the United Kingdom	11%	11%	12%	10%	11%	13%	11%	9%	6%	3%
Extraction of minerals in the structure of the gross value added of Australia	5%	5%	7%	9%	7%	9%	9%	8%	8%	7%
Extraction of minerals in the structure of gross value added of Russia	10%	13%	10%	10%	10%	11%	10%	9%	10%	9%
Oil and gas sector in Saudi Arabia's GDP	37%	50%	55%	41%	45%	51%	50%	46%	42%	27%

Source: Australian Bureau of Statistics. Key Economic Indicators. Available at: <http://www.abs.gov.au/AUSSTATS/abs@.nsf/mf/1345.0?opendocument>

Statistics Canada. Economic and financial data. Available at: [https://www.statcan.gc.ca/eng/subjects/economic\\_accounts](https://www.statcan.gc.ca/eng/subjects/economic_accounts)

Office for National Statistics. National accounts. Available at: <https://www.ons.gov.uk/economy/nationalaccounts>

General Authority for Statistics. Kingdom of Saudi Arabia. Statistical Manuals and classifications. Available at: <https://www.stats.gov.sa/en#>

Federal state statistics service. National accounts. Available at: [http://www.gks.ru/wps/wcm/connect/rosstat\\_main/rosstat/ru/statistics/accounts/](http://www.gks.ru/wps/wcm/connect/rosstat_main/rosstat/ru/statistics/accounts/)

our opinion, these circumstances make it reasonable to compare the macroeconomic policy of Russia and these countries in the sphere of industrial development provision.

Raw materials industries in Australia have continued to increase their share of gross value added since 1990. on the peak of world commodity prices Raw materials industries share reached 9.4% in 2011 and 9% in 2012. The decline in world prices for raw materials reduced this indicator to 6.8 % in 2015, which corresponded to the level of 2006. Extraction of minerals in Australia and Russia, since 2011, occupies a similar position in the national structure of gross value added.

Extraction of minerals in Canada accounted for 49% of gross production in 2008, 41% in 2008 and 22% in 2015. This also indicates a significant impact of oil and gas (and other raw materials) revenues on the economy of this country. Offshore energy projects have contributed significantly to the General profit Fund of the British non-financial sector for many years.

As can be seen from the Table. 1. the commodity sector plays a significant role in the economies of many developed countries. At the same time, the level of dependence of

Australia, Canada and the United Kingdom on minerals Extraction, makes it possible to talk about the comparability of these countries with Russia on the impact of the commodity sector on the overall welfare and economic development processes.

Minerals form the resource base for industries and form investment funds for new equipment buying. The primary analysis of the dynamics of growth rates of nominal GDP of all analyzed countries showed a very close relationship between these processes in Russia, Ukraine and Kazakhstan. The correlation coefficient of growth rates of nominal GDP of these countries (2002 – 2015) was in the range [0.84; 0.91]. The correlation coefficient of growth rates of nominal GDP of Russia, Ukraine, Kazakhstan and researched G-20 countries (2002 – 2015) was in the range [0,5; 0,7]. The growth rate of nominal GDP of Belarus was weakly correlated with similar data of other analyzed countries.

The data on the interest rates of Bank regulators and commercial banks, as well as the efficiency of economic activities of non-financial economic entities in the Russian Federation, Belarus, Ukraine and Kazakhstan is presented

on Fig. 1. A characteristic feature of Russia, Belarus and Ukraine is that the discount rate of the banking regulator, for the vast majority of observation periods in these countries, exceeds the level of profitability of enterprises in the economy. The only exception is Kazakhstan, where a similar situation was observed for the first time in 2015. This trend is especially evident in the case of Russia and Ukraine, where inequality is clearly observed: the profitability of enterprises  $<$  the refinancing rate  $<$  the rate of commercial banks on loans. In the analyzed period, the profitability of enterprises in Belarus during five years exceeded the discount rate of the National Bank and twice exceeded the cost of loans, however, in our opinion, basically, the trends that were observed in Russia and Ukraine are quite similar to the Belarusian. Note that based on the data presented on Fig. 2. in the English-speaking countries of the G-20 can be observed a diametrically opposite situation.

In these countries, we can talk about a similar model, where there is a diametrically opposite inequality: the profitability of enterprises  $>$  the rate of commercial banks on loans  $>$  the refinancing rate. It should be noted that high Bank loan rates, which largely depend on the policy of Bank regulators, do not allow enterprises to finance current operations.

Accordingly, there are no resources to ensure the investment development of enterprises. High interest rates, which determine the price of money over time, contribute to the inflationary component. Thus, the tightening of monetary policy in the country leads not to a decrease in monetary inflation, but to cost inflation. Obviously, the cost of a Bank loan depends not only on the discount rate of the Bank regulator. Much depends on the consumer price index, the stability of the national currency, the level of critical dependence on imports, etc. However, we adhere to the point of view that trust all of the above parameters (including inflation) on invisible forces of the market, which in the classical monetarist theory always tends to the optimum – is a strategic omission.

Accordingly, all parameters of macroeconomic planning can be subject to regulation. It should also be noted that Russia, unlike

Ukraine and Belarus, is critically independent of energy imports and a wide range of other goods, which in General distort the structure of foreign trade operations, puts pressure on the balance of trade and payments, which subsequently increases inflation and does not allow to weaken monetary policy.

On the contrary, in the situation of a completely deformed structure of foreign trade, significant external debt, etc., the macroeconomic parameters of Ukraine were very similar to the Russian ones, and the graphs of the growth rate of nominal GDP until 2014 were almost the same. At the same time, the relative investment activity (the ratio of capital investment and GDP) in Ukraine in the average for 2002 – 2015 was higher by 3.5% than in Russia. Note also the close relationship between the consumer price growth indices in Russia and Ukraine in 2002 – 2015 (correlation Coefficient – 0.83). There was no close connection between the consumer price growth indices in Russia and other analyzed countries.

The results of the implementation of the Russian model of industrial development, in our opinion, cannot be defined as positive. Maximum capacity utilization in Russia was observed in pre-crisis 2008 and amounted to 67.5%. The average rate of 2009 – 2016 was 61.5%. While in Germany, Sweden, Austria and the United Kingdom this figure is 80-90% (data 2000 – 2011). The depreciation ratio of fixed assets in the Russian mining and manufacturing industry, after a decline in 2008-2009, began to grow steadily and is, respectively, 53% and 45% in 2014. High interest rates make it impossible to update the fixed asset fleet and load existing funds. Russian producers are isolated not only from long-term money, but also from short-term financing.

Thus, the practice of strict monetary regulation of the economy, mediated primarily by inflation targeting, is a fairly common practice for the CIS countries. Russia, like other neighboring countries, uses a model aimed at reducing the price growth index by increasing interest rates. It is worth noting that in the studied foreign countries, whose economies are comparatively dependent on the commodity

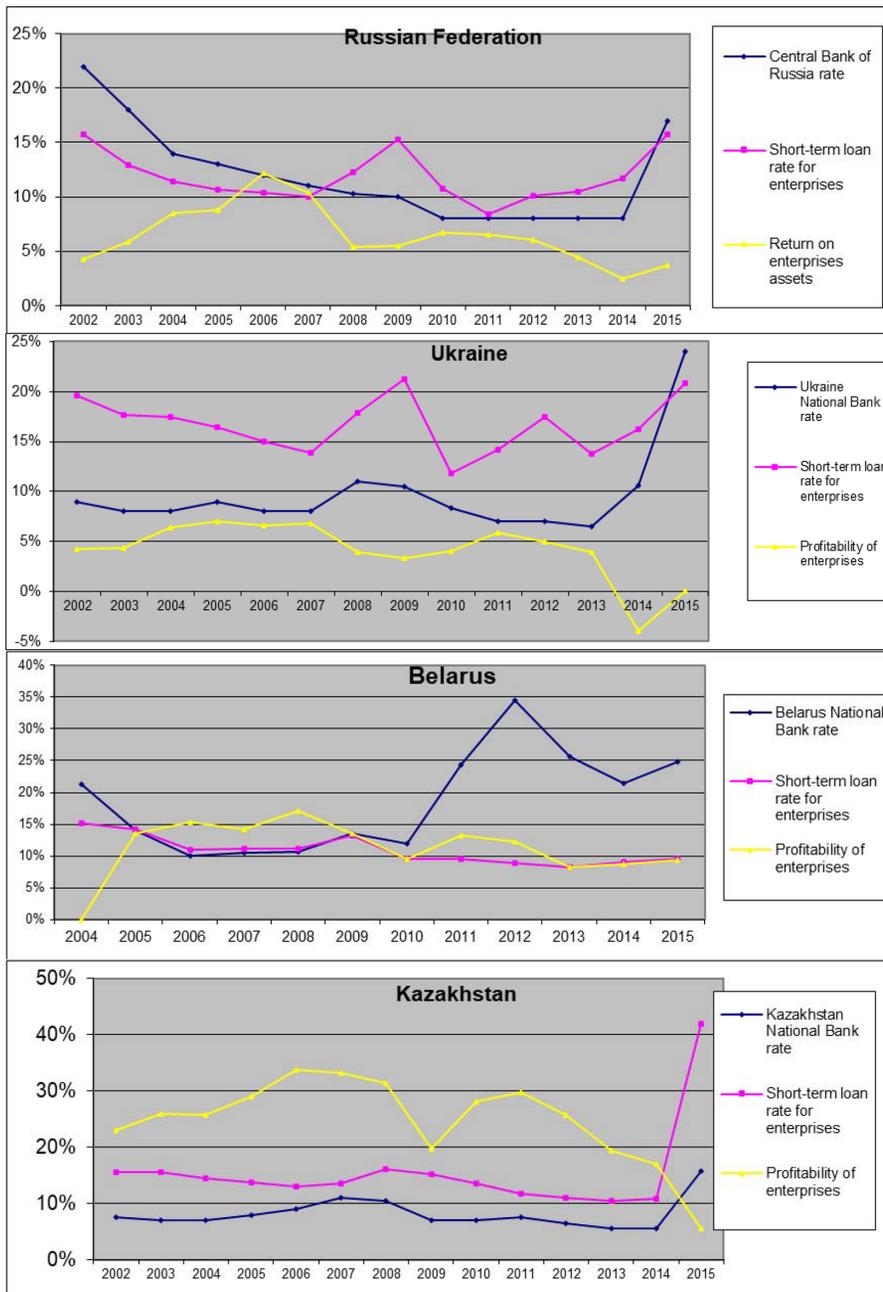


Fig. 1. Interest rates of Bank regulators and commercial banks, efficiency of economic activities of non-financial economic entities in the Russian Federation, Belarus, Ukraine and Kazakhstan

Sources: Federal state statistics service. National accounts. Available at: <https://rosstat.gov.ru/accounts>

State statistics service of Ukraine. National rahunki. Available at: <http://www.ukrstat.gov.ua/>

National statistical Committee of the Republic of Belarus. National accounts. Available at: <https://www.belstat.gov.by/ofitsialnaya-statistika/realny-sector-ekonomiki/natsionalnye-scheta/>

Ministry of national economy of the Republic of Kazakhstan. Dynamics of the main socio-economic indicators. Available at: [http://stat.gov.kz/faces/homePage/homeDinamika.pokazateli?\\_afLoop=11044241098492838#%40%3F\\_afLoop%3D11044241098492838%26\\_adf.ctrl-state%3Dw7nos1k3p\\_37](http://stat.gov.kz/faces/homePage/homeDinamika.pokazateli?_afLoop=11044241098492838#%40%3F_afLoop%3D11044241098492838%26_adf.ctrl-state%3Dw7nos1k3p_37)

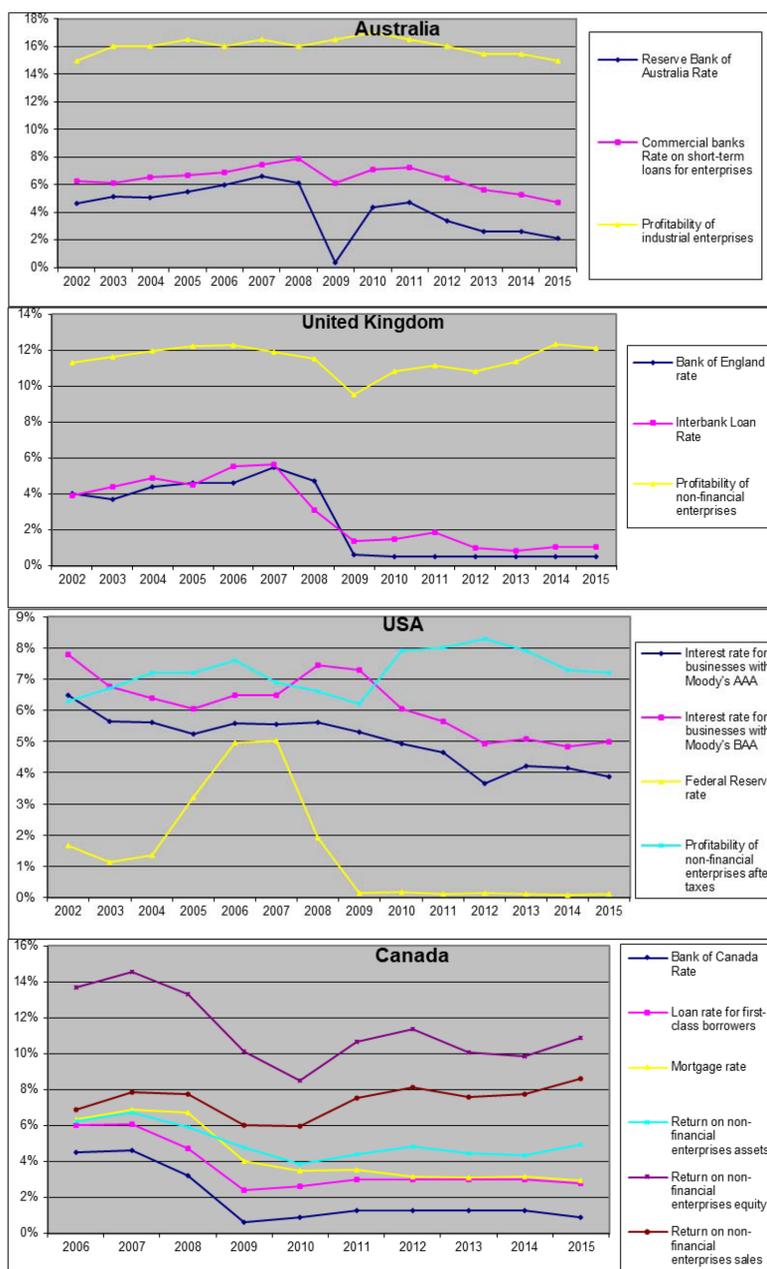


Fig. 2. Interest rates of Bank regulators and commercial banks, efficiency of economic activities of non-financial economic entities in Australia, Canada, United Kingdom and USA

Source: U.S. Department of Commerce. Economic indicators dashboard. Available at: <https://www.commerce.gov/data-and-reports/economic-indicators/dashboard>

Australian Bureau of Statistics. Key Economic Indicators. Available at: <http://www.abs.gov.au/AUSSTATS/abs@.nsf/mf/1345.0?opendocument>

Statistics Canada. Economic and financial data. Available at: [https://www150.statcan.gc.ca/n1/en/subjects/economic\\_accounts](https://www150.statcan.gc.ca/n1/en/subjects/economic_accounts)

Office for National Statistics. National accounts Available at: <https://www.ons.gov.uk/economy/nationalaccounts>

sectors, a softer monetary policy is used, which does not contribute to the demonetization of the economy. Maintaining a situation in which Bank loan rates consistently exceed the profitability of enterprises will only contribute to an increase in the level of depreciation of fixed assets and the accumulation of the backlog of the Russian economy from the economies of other countries.

### Conclusion and future work

The scientific novelty of the study is determined by the results of testing the hypothesis that there is a similar economic security provision model of industrial development for the CIS countries, which is determined by the presence of correlating macroeconomic indicators, their dynamics and ratios. The justification for the existence of such a similar economic security provision model of industrial development for the group of the studied countries is based on the identification of an alternative and more effective model used in the group of the studied English-speaking G-20 countries. Note that the share of the commodity sector of the economy of the studied foreign countries is comparable with similar Russian indicators. The choice of foreign countries with these parameters of the commodity sector of the economy was determined by the need to exclude the factor of exports of raw materials from the parameters of economic growth. Thus, the article proves the existence of a common economic security provision model of industrial development for

CIS countries, which has a disincentive effect on their national economies. The main result of the study is revealed in the following provisions:

1. Effective development of Russia requires an integrated approach to the implementation of the relevant functions of public administration of the economy. Such an approach should take into account the needs of the growth of monetization of the economy on the basis of target emission programs, as well as the introduction of mechanisms of strict state regulation in areas that are sources of potential instability. At the same time, it is necessary to take into account the opinion of the supporters of the tight monetary policy of the state, indicating the priority of the development of market institutions and infrastructure.

2. In Russia and CIS countries, an inefficient economic security provision model of industrial development is used. It constrains (and/or complicates) all efforts to organize and increase domestic industrial production. This is particularly clear when compared with similar macroeconomic indicators in Ukraine. In foreign countries, an alternative model is used, in which the diametrically opposite monetary policy is implemented.

3. In the future, it is promising to study the models of the investment process in the studied groups of countries. In particular, we are talking about the features of the organization of the investment process, directions of investment and sources of investment resources.

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## Модели обеспечения экономической безопасности национального промышленного развития (исследование на примере России, постсоветских стран и англоязычных стран G-20)

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**Аннотация.** Основной научный результат данной работы состоит в совершенствовании существующих научных положений в сфере государственного управления экономическим ростом на национальном уровне. Обосновано существование двух моделей экономического развития, которые применяются в странах СНГ и развитых странах дальнего зарубежья. Раскрыты ключевые особенности и характеристики функционирования данных моделей.

Работа основана на комплексном использовании ряда методов научного познания, в т.ч. методов анализа и абстракции, исторического и логического подходов, методов дедукции и индукции; графического и статистического методов, а также системного метода. В качестве информационной базы исследования были использованы труды ведущих российских и зарубежных ученых в этой сфере, а также данные официальной статистики России, Украины, Белоруссии, Казахстана, США, Канады, Австралии, Великобритании, Саудовской Аравии. В основу исследования была положена гипотеза о наличии сходства моделей экономического роста России и других стран СНГ, а также о существенном отличии данной модели от аналогов, используемых в развитых странах дальнего зарубежья.

Доказано, что экономический рост в странах дальнего зарубежья в значительной мере определяется сохранением стабильных соотношений эффективности национальной экономики и процентных ставок на рынке капитала. Заслуживает внимания и то, что сырьевая доля в валовом производстве развитых стран является сопоставимой с соответствующими показателями в России. В работе проведено

сравнительное исследование монетарной политики стран СНГ и дальнего зарубежья, определены особенности ее влияния на инвестиционный процесс и экономический рост в долгосрочной перспективе.

**Ключевые слова:** промышленное развитие, инвестиции, монетизация, процентная ставка, национальная экономика.

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