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# The Russian Economy: Challenges and Ways for Leveling and Mitigation of Their Negative Impact

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## ABSTRACT

The article examines the problems of the development of the domestic economy in non-standard conditions for the formation of market relations, when the implementation of market mechanisms is limited by the total non-market behavior of hostile countries, that is why the tasks of further scientific developments aimed at developing new anti-crisis approaches to the development of the Russian economy are updated and focused on ensuring national economic security in response to new challenges and threats in accordance with highly prioritized strategic national interests. The purpose of the study is to analyze the measures taken by the Government of the Russian Federation to ensure sustainable economic development and to substantiate new anti-crisis mobilizational approaches to regulating the Russian economy in the context of blocking total sanctions of the collective West. The research process was based on a set of general scientific methods, including analysis and synthesis, induction and deduction, generalization and analogy, methods of comparison, matching, historical and logical method, interpretation, and others. It is concluded that it is possible and necessary to strengthen anti-crisis state regulation of the economy with its reorientation to a mobilization economic model and the formation of a balanced mechanism for the interaction of production and consumption in key sectors of the real sector of the Russian economy, taking into account Russia's strategic priorities in modern business conditions. The practical significance of the results of the study lies in the possibility of their use in the field of state anti-crisis management and the development of strategies for the development of the national economy.

**Keywords:** national economy; sanctions; economic security; anti-crisis approaches to state regulation; strategic planning; mobilization economic model

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## INTRODUCTION

During the recent years the Russian economy has been facing unprecedented negative impact caused by the financial crisis of 2007–2009, sectorial sanctions after 2014, the adverse impact of the COVID 19 pandemic in 2020–2022, and the confrontation between Russia and unfriendly Western countries. Large-scale changes in the international economic system, the growing risks of instability in world development have caused new challenges, increased the vulnerability of the domestic economy. They have set the task of shaping Russia's economic policy basing on the principles of sovereignization and placing an emphasis on cooperation with new regions. The role of the state in the development of the market is currently increasing, which is manifested in the regulation of the market with the use of stimuli that help eliminate systemic shortcomings and level the threats to national security.

New problems and challenges, which the Russian economy is facing, are now reflected in scientific works: the authors update the information on the issue, revealing the general principles of systemic transformation and transition of the country's economy to the path of sustainable evolutionary development [1]; they consider Russia's opportunities for building a new industrial society [2], study the influence of the world order transformation processes on economic relations [3], consider the formation of a mobilization economy as a response to total sanctions [4], rethink the importance of the resources orientation in economy in ensuring its sustainability [5], determine the key anti-crisis functions of the state to ensure its sustainable development [6]. In recent years, a more specific research topic has been popular among scholars — economic policy during the COVID-19 crisis [7, 8] and its prospects in the context of digitalization [9, 10]. A review of the works of reputable economists shows that modern theory and practice need

research and development, the purpose of which is to develop new anti-crisis approaches in order to support the development of the Russian economy, these approaches should be focused on ensuring national economic security and socio-economic growth in the conditions of non-market behavior of the unfriendly countries. The author of the article analyzes the main measures of the Russian Federation Government which are aimed at ensuring sustainable economic development; the crisis-forming factors of the Russian economy during the current situation were studied, the dynamics of its key indicators during the period of a special military operation was analyzed; proposals have been developed regarding new anti-crisis approaches to its regulation in response to new economic and political situations; the possibilities of applying the experience of China's development to improve economic processes under the sanction restrictions of the "collective West" are also analyzed.

In this study such general scientific methods as analysis and synthesis, induction and deduction, generalization and analogy, comparison, comparison, historical-logical method, statistical, interpretation, etc. were used; strategic plan documents of the Government of the Russian Federation, modern scientific publications of economists, references and analytical materials of Russian, foreign and international organizations, as well as the results of empirical studies carried out with the participation of the author were also employed.

## RESEARCH RESULTS

### **Analysis of the Russian economy's current state**

In 2022 the Russian Federation faced unprecedented sanctions pressure from unfriendly countries that activated political non-market instruments in an effort to destroy the sovereignty of Russia's national economic space. External threats because of their systemic nature generate the danger of internal ones, as

a result new challenges related to the economic security of the country have emerged; the range of problems and the intensity of their impact on various sectors and industries have changed. This has created imbalances that cannot be redressed by the market without governmental intervention.

The results of the analysis of the Russian economy's state and the influence of various factors on the low efficiency of its functioning indicate that in recent years "a real economic war has been unleashed against us",<sup>1</sup> during which unfriendly countries are trying to push Russia out of international economic relations by "launching the processes of degradation and disintegration of our economic system" through a global blockade of financial, technological, economic, political, trade, transport, humanitarian and other important spheres".<sup>2</sup>

At the same time it should be noted that the stagnation of the Russian economy has been going on for more than 10 years, during which we have been lagging behind the global average in most socio-economic parameters and this lag has been growing. In 2021 Russia was ranked 45th in the Global Innovation Index and placed between Indonesia and Vietnam.<sup>3</sup>

The situation is aggravated by the fact that the functioning of our country's economy is based on the import of machinery, equipment and modern technologies; an imperfect monetary system based on the financial dominance of the US dollar and other unfavourable factors contribute to the exacerbation of the socio-economic situation.

<sup>1</sup> Transcript: Mikhail Mishustin's report to the State Duma on the work of the government. Rossiyskaya Gazeta. 07.04.2022. URL: <https://rg.ru/2022/04/07/stenogramma-otchet-mihaila-mishustina-v-gosdume-o-rabote-pravitelstva.html> - (accessed on 01.10.2022).

<sup>2</sup> Belousov announced the failure of the West's plans for a global blockade of the Russian economy. Interfax. URL: <https://www.interfax.ru/business/834715> (Access date: 26.09.2022).

<sup>3</sup> Russia has risen to 45th place in the global innovation ranking. TASS. 20.09.2021. URL: <https://tass.ru/ekonomika/12456101> (accessed on 26.09.2022).

A significant negative impact on the state of the economy is exerted by a tight linking to external capital markets and oil prices, low competitiveness, law insecurity of small and medium-sized businesses, weak efficiency of state-owned enterprises and institutions, stagnant incomes and demand, high inflation, a significant increase in consumer prices and, as a result, an increase in poverty and in the number of loans and credits taken by the citizens, which leads to a decrease in solvent demand.

The phenomena mentioned above are aggravated by the decrease in import and export volumes (due to the imposed anti-Russian sanctions), the rupture of the supply chains, the loss of sources of components and sales markets, as the basis of the anti-Russian policy of Western countries forces the accelerated escape from everything that is Russian.

### STATE ANTI-CRISIS MEASURES TO SUPPORT THE RUSSIAN ECONOMY

Taking into account the destructive influence of these factors, it should be taken into consideration that they still appear to be somewhat positive, as an increased focus on exports is very likely to lead to a significant increase in number of export-oriented enterprises and industries, then to their stagnation and, as a result, to liquidation. In this regard, the most important task of the Government of the Russian Federation is currently to activate the Russian market, increase domestic demand, these measures could include increasing the solvency of the country's population ensuring a fair basic income. Recently the Government Commission on Increasing the Stability of the Russian Economy under sanctions has adopted a number of systemic anti-crisis measures, such as protection of the domestic food market, subsidizing of Russian Railways, airlines (at the expense of the Russian National Wealth Fund), regional industrial development funds; legalization of parallel

Table

**The main economic indicators of the Russian Federation relative  
to the corresponding period (month, quarter) of 2021**

Index	2022						
	March	April	May	June	July	August	September
1. Industrial production index	102.3	97.4	97.6	97.6	99.5	99.9	96.9
Mining and quarrying	106.6	97.2	97.8	101.4	100.9	101.0	98.2
Manufacturing	99.3	97.0	96.5	95.3	98.9	99.2	96.0
2. Agricultural production index at enterprises of all types	103.0	103.2	102.2	102.1	100.8	109.1	106.7
3. Consumer price index, %	116.7	117.8	117.1	115.9	115.1	114.3	113.7
4. Unemployment rate, %	4.1	4.0	3.9	3.9	3.9	3.8	3.9
5. real disposable income (quarterly, percent of corresponding period of previous year)	98.8	x	x	99.2	x	x	96.6

Source: compiled by the authors based on the data of the Federal State Statistics Service "Short-term economic indicators – 2022".

imports, monitoring lending programs for preferential business, restrictions on export of goods and equipment, additional support to the regions during the period of external sanctions, etc.<sup>4</sup> These steps contribute to the successful solution of current tasks and support the economy, which is confirmed by statistical data indicating the preservation of its relative stability when facing a sanctions attack by Western countries during a special military operation (see Table 1).

It should be noted that the implementation of the global import substitution process in Russia since 2012 (taking into account the imposed set of anti-Russian sanctions in subsequent years) has brought some positive results, but they were

not enough, and it lead to the adoption of a short-term and forced measure — the organization of parallel imports. The reasons for its necessity are the insufficiency of the components required for the development of enterprises' own production and the impossibility of direct supplies from unfriendly countries. Parallel imports are inevitable and imply an increase in the cost of imported goods in some sectors at the initial stage of implementation. However, in the future, there will be a decrease in prices for many consumer demand products as well when they are replaced by domestic or Asian analogues — some of them that previously had no access to the highly competitive saturated niches (occupied by European manufacturers) have already managed to enter the Russian market and appeared on the shelves of the stores and on marketplaces.

The Ministry of Science and Higher Education and the Ministry of Education should at the

<sup>4</sup> Government measures to increase the stability of the economy and support citizens in the face of sanctions. Official website of the Government of the Russian Federation. URL: [http://government.ru/sanctions\\_measures/](http://government.ru/sanctions_measures/) (accessed on 02.10.2022).

same time be the flagships of Russia's import substitution policy, their specialists together with the university and scientific community face the task of clarifying the need for human resource potential of market economy entities, they should also develop new and make appropriate adjustments to the already implemented programmes for their training.

While analyzing the parameters of anti-Russian sanctions and directions of leveling or minimizing their negative impact on the economy of the state, it is necessary to take into account the lack of elaboration and relevance of the latter. The reason for that is the fact that most government departments and key market participants do not publish statistics of the industry functioning results, manufacturing and other sectors of the economy, as well as negative parameters of their activities, including a list of missing components, inability to employ previously used technologies, etc. At the same time understanding the real capabilities of business entities, the availability of the missing components, which are necessary for the production of final products, will help the scientific and university community to focus their work on these problems and become the basis of strategic planning and active industrial policy within the modern market system.

### PECULIARITIES OF STRATEGIC PLANNING AT THE PRESENT STAGE

The reason for the implementation of strategic planning into the Russian economic system is the need to determine long-term goals, calculate the amount of financial and other resources allocated by the state and make a specific list of state agencies and persons responsible for the implementation of the plan and setting mandatory tasks.

Special attention within the framework of the application of the strategic planning system should be paid to private businesses establishing clear laws and rules that encourage them to develop their activities: to provide

for a reduction in the tax burden, to introduce affordable loans, public investment, state order (with a corresponding reduction in the level of bureaucratization, reduction in the number of inspections and reports), to assist in getting staff with appropriate qualifications, vehicles, to promote the increase of social responsibility of private businesses, the development of social partnership with the participation of their employees.

As for the availability of borrowed financial resources for the needs of real sectors of the economy, it should be taken into consideration that bank loans are issued mainly to cover business operating expenses. Real import substitution requires the organization and development of own production, which is possible with the help of state financing through corresponding development institutions.

In order to increase the effectiveness of anti-crisis measures taken by the state and the effectiveness of strategic planning, it seems reasonable to create a coordination center based on the idea of Gosplan<sup>5</sup> and modern principles of digital development. This proposal is especially relevant considering the context of anti-Russian sanctions, as the updated Gosplan model can solve several issues which include:

- determining the general need of the state (current and prospective) for specific components, various products and materials;
- ensuring the maintenance of production long-term relations between the subjects of market relations;
- to guarantee the existence of a certain perspective for the sale of products (provision of planned services);
- to form possible and expand existing logistics channels in the South and East, which requires not only significant financial

<sup>5</sup> Russkikh proposed to introduce a "digital gosplan" in Russia. IA Ulpressa. 14.08.2022. URL: <https://ulpressa.ru/2022/08/14/русских-предложил-внедрить-в-россии/> (accessed on 23.11.2022).



investments, but also political support, as well as management support with appropriate coordination and planning.

It should be noted that the idea of Gosplan regarding current situation is designed to combine all the best in the functioning of this Soviet powerful state institution with the achievements of digitalization, i.e. it is not just a revival of Gosplan, but the creation of a strategic agency on a modern technical basis with the capabilities of a proven intersectoral balance to form a “virtual economic reality” [11]. Therefore it will be easy to avoid those flaws for which Gosplan was once criticized by the scientific community (in the presence of a shortage of a number of goods, the production of those which are not in demand was increased). In this case, the example of China is noteworthy, where the role of the digital Gosplan is currently performed by the National Development and Reform Commission, as well as the domestic experience of the Eastern State Planning Center (Vostokgosplan) subordinate to the Ministry for the Development of the Russian Far East and Arctic.

The Gosplan, the creation of which is proposed, can be characterized as digital: modern technologies such as artificial intelligence, blockchain and bigdata allow creation of complex models, plans and forecasts based on a significant amount of data based on a real-time digital platform: it receives primary information about all transactions, capital movements, goods, labor forces, services, which allows us to collect all the necessary information about everything in the country's economy, technological solutions, used capacities; to transform the goals set at the state level into particular sectoral or regional plans. At the same time the existing commercial component of the economic relation remains, it is possible in the context of state planning, which, when using digital tools, makes business deliveries reasonable and transparent.

The condition for the revival of the Gosplan in a new manifestation is an appropriate political

decision, in particular, announced as the suggestion of the Governor of the Ulyanovsk region A. Russian at the plenary session of the Interregional Forum on the Implementation of the Regional Investment Standard in August 2022: the introduction of the “Digital Gosplan”, according to the head of the region, “will help the industry to respond promptly to modern economic challenges, will give specific figures considering the import substitution needs, it will eliminate the risks of burning investment resources and duplication of products”.<sup>6</sup>

Improvement of the mechanism of state regulation is also required considering state corporations. The orientation of their activities should be changed to fulfill the interests of the state and society, to increase the level of socialization and to use the resource rent received from nationalized natural resources in the interests of Russian society.

It is important to clearly define the goals of long-term strategic planning with a decrease in the importance of gross value results, including the GDP, profit received, since, according to the world and Russian scientific community, the main goal of the state is to ensure the development of its economy, solving environmental and social problems paying special attention to the population of the country in terms of stimulating the growth of its income, strengthening control over the growth of the consumer prices. Solving these urgent problems requires not only significant financial resources, but also innovative management solutions.

### MOBILIZATION ECONOMIC MODEL: ITS FEATURES AND PECULIARITIES

The current sanctions attack on the political and economic system and financial potential of Russia in the situation of the macroeconomic

<sup>6</sup> Russkikh proposed to introduce a “digital gosplan” in Russia. IA Ulpressa. 14.08.2022. URL: <https://ulpressa.ru/2022/08/14/русских-предложил-внедрить-в-россии/> (accessed on 23.11.2022).

crisis and the destruction of the Western unipolar Anglo-Saxon economic model of ultra-globalist world dominance pursues the goal of isolating the Russian economy from the world system, destroying its sovereignty. Therefore, counting on market self-organization on the principles of classical economic theory in these conditions is not only frivolous, but also extremely dangerous. In this regard, it seems appropriate to agree with the proposals of scientists who indicate the need to switch to a mobilization economic model based on the use of internal resources in the defense, socio-economic, ideological and foreign policy spheres, which under certain circumstances can be urgently used to improve the national security [12]. As an economic category, the mobilization model is not new (conceptually) for the scientific community and economic practice,<sup>7</sup> but in relation to the specifics of the current Russian situation, it requires, nevertheless, clarification of the conceptual apparatus, analysis of statistical data, generalization of the world experience and adaptation to current reality and priority strategic tasks.

Thus, the need to ensure the national security in the face of attempts of economic blockade by the “collective West” and the emergence of new issues connected with the needs of a special military operation that began on February 24, 2022, entails the implementation of modern anti-crisis mobilization approaches to public administration:

1) in the field of domestic economic policy:

- strengthening the role of state regulation in ensuring the sovereignization of the national economy by partial nationalization of enterprises — leaders of scientific and technological progress in Russia;
- implementation of the state balanced planning system based on modern digital technologies (using the updated Gosplan model);

<sup>7</sup> Russia needs a mobilization economy with market tools. URL: <https://glazev.ru/articles/165-interv-ju/105820-rossii-nuzhna-mobilizatsionnaja-jekonomika-s-rynochnym-instrumentariem> (accessed on 20.11.2022).

- increasing the role of the state in preventing bankruptcy, implementing judicial organizational and legal procedures for the bankruptcy of defense industry enterprises; preventing the bankruptcy of defense industry enterprises, increasing the amount of rehabilitation procedures and their promotion, introducing external management in organizations that have given up business in Russia;

- development of national innovative technologies, allocation of material and financial resources in areas that ensure national security;

- acceleration of deoffshorization of the economy, primarily strategic industries and livelihood of the population, prevention of capital outflow from the country;

- improving the systems of personnel reserve formation and state control over performance discipline at all levels of management and increasing the level of openness of budget expenditures to ensure the work of the federal state bodies;

- activization of the scientific research in the form of applied research aimed at improving the efficiency of the economy, of the scientific and technical potential of Russia;

- introduction of the principle of extraterritoriality for the laws of the Russian Federation;

- building up the domestic production potential to ensure the functioning of the state under the new circumstances: from satellite groupings, electronic warfare systems to clothing and hygiene items;

- ensuring a steady excess of the citizens' income growth dynamics over the inflation, reducing economic inequality of the population, keeping social priorities of Russia unchanged: family, children, health and education;

2) in the field of foreign economic policy:

- reorientation of the foreign trade relations vector to the development of mutually beneficial cooperation with countries outside the group of the unfriendly states;

- further forcing unfriendly countries out of their former colonies (Mali, CAR, Burkina Faso) and involving them in integration associations (BRICS+);

- active promotion of export-technical cooperation with the states of Latin America, the Middle East, Africa, and Southeast Asia;

- introduction of new units of account in international trade and systems for transferring interbank information within the BRICS countries, the Eurasian Economic Union, etc.;

- suspension of Russia's WTO membership, its cooperation with the IMF and the World Bank;

- freezing of foreign assets on the territory of the Russian Federation until the moment the Russian assets in foreign jurisdictions are unfrozen (confiscation of the foreign assets in case the Russian ones are confiscated);

- the introduction of a ban on the protection of intellectual property and copyrights of products from unfriendly states, the introduction of a preferential regime and a stimulating mechanism for the import of high-tech and investment goods from friendly countries into the Russian Federation.

The necessity and reasonableness of a radical change in Russia's anti-crisis policy, its reorientation to a mobilization model of development, the peculiarity of which (*in conditions of concentration of external crisis-forming factors outside the contour of market relations*) is to solve a two-pronged economic task: to ensure the country's defense capability and socio-economic stability while switching the production to the domestic market. The formation of the balanced mechanism for the interaction of production and consumption in key sectors of the real sector, while taking into account the strategic priorities of the country in modern economic conditions, will ensure sustainable economic growth over a long period of time.

Taking into account the importance of all aspects of the issue to ensure the state security,

the basic role is assigned to its economic component, since the production, distribution and consumption of goods and services is primary for all spheres of public life, guaranteeing the viability of society; the mobilization type of economic development (as a special form of anti-crisis state regulation) acts as a compensatory mechanism for the destructive anti-market influence of negative trends in the economy. Legislative, economic and administrative anti-crisis regulators of the mobilization type will neutralize or minimize the impact of a complex set of external threats to Russia's economic security, increase the stability of the functioning of all sectors of the national economy, the integrity of the country's internal economic space, preserve socio-economic and political stability, and contribute to the growth of the quality of life of Russian citizens.

Successful implementation of the mobilization type of economy is possible only if the sustainable income growth of the population is ensured. The Russian government is taking some steps in this direction to support citizens, these steps include increasing the amount of unemployment benefits, maternity capital, one-time support for low-income families, and indexation of pensions of unemployed pensioners. However, these are temporary measures which in fact show low efficiency, as evidenced by the increase in the number of poor people in the country.

Considering the consequences of the sanctions policy of the West, it should be noted that its implementation against the Russian Federation serves as an excuse to abandon the EU market — our main trade and economic partner. At the same time, dozens of countries of the world whose economies are characterized as growing experience the need for not only energy carriers, mineral fertilizers, food, etc., but for technologies and logistics solutions.

In this regard, as already noted, the most important prospect for us is the effective development of the EAEU market.



However, solving a set of tasks connected with import substitution, stabilization of the Russian economy, ensuring its sustainable functioning and development, it is necessary to develop the financial support, including using the funds of the National Wealth Fund, as well as the instrument of targeted emission, providing targeted release of monetary resources for the implementation of specific projects, support of certain industries and industries based on the already mentioned Gosplan. Stating the necessity of ensuring the economic growth, we note that in this case we are talking not only about achieving the planned indicators, but also about Russia's interaction with the rest of the world, the economies of friendly countries.

When studying the foreign experience of stabilization and development of national economies, the experience of the People's Republic of China seems to be the most illustrative, its distinctive features at the end of the 80s of the last century were:

- poverty and of the majority of the population;
- historical lagging of the economy;
- being far from the first place in world geopolitics, which is unworthy of the country with such a long history.

When analyzing the anti-crisis measures taken by the Chinese government, it should be mentioned that their main task was to eradicate reasons of poverty adopting some social programs "Seven-year plan for getting rid of poverty of 80 million people (1994–2000)"<sup>8</sup>, "Program for the development of the Chinese village and getting rid of poverty (2001–2010)"<sup>9</sup> with its prolongation for 2011–2020. Their effective implementation made it possible to

<sup>8</sup> Full text of the White Paper "Actions on poverty and progress in the Field of human rights of China". Russian.news.cn. URL: [http://russian.news.cn/china/2016-11/08/c\\_135814199.htm](http://russian.news.cn/china/2016-11/08/c_135814199.htm) (accessed on 02.10.2022).

<sup>9</sup> China: new progress in rural development and getting rid of poverty. URL: [http://www.kitaichina.com/se/txt/2012-01/05/content\\_418639.htm](http://www.kitaichina.com/se/txt/2012-01/05/content_418639.htm) (accessed on 02.10.2022).

officially announce the overcoming of poverty in the country in 2021.

The main focus of the fight against poverty in the PRC was made on increasing the income of the population by solving the following tasks:

- the introduction of a progressive income tax rate and a tax-free minimum;
- ensuring free access to mandatory mass education and medical care;
- creation of additional jobs (60 million were created within 5 years), which provided employment for the population;
- providing all villages in poor areas with an electricity supply system, telephone, high-speed Internet, cable TV, paved roads;
- reconstruction of old and dilapidated housing.

This set of measures allowed to significantly increase domestic demand, which contributed to the development of the state's economy.

In recent years, the PRC has been creating a high-level socialist market economy system by implementing the principle of "public ownership as a basis for the joint development of economy of many forms of ownership" [13, 14]. At the same time, if China's previous national strategy was based on the use of external resources and markets, in recent years, in the context of the deglobalization trend and increased protectionism, China adheres to the concept of "two circuits", which sets the priority of the internal reproduction circuit over the external one [15, 16].

Russia's use of the PRC's experience is highly reasonable, since China has demonstrated an unprecedented example of catching up and advancing development in all sectors of the economy during the recent decades. Over the past 20 years, its gross domestic product has increased 13 times,<sup>10</sup> the average annual GDP

<sup>10</sup> Full text of the White Paper "Actions on poverty and progress in the Field of human rights of China". Russian.news.cn. URL: [http://russian.news.cn/china/2016-11/08/c\\_135814199.htm](http://russian.news.cn/china/2016-11/08/c_135814199.htm) (accessed on 02.10.2022).

growth was 8.68%.<sup>11</sup> These figures look especially impressive compared to the “lost decades” of zero and near-zero growth and stagnation of the Japanese economy,<sup>12</sup> which became one of the world economic leaders in the 80s (after the United States), and by now it is outperformed by China, India. Japan has fallen to 4th place in GDP (taking into account purchasing power parity), and what is more Russia and Germany are already catching up. Many economists complain that by doing so China became what the USSR could have become if its collapse had not been allowed, and the subsequent trophy looting and absorption by the “hyenas” of the Western globalist project, who declared themselves winners in the Cold War, did not follow.

To take into account China’s experience in certain areas of socio-economic policy development can be useful for domestic science and practice in the context of the mobilization of the economy — for example, measures of combatting corruption and implementing of the “two circuits” concept, the activity of the State Reform Committee (as an analogue of the digital Gosplan), steps taken to transform high-tech industries into the leading sectors of the national economy.

Another important area of stabilization of the domestic economy is to ensure territorial development, taking into account the real possibilities of various regions. However, the rule introduced by liberal “economists” must be excluded, as this rule promotes the residence of the population of Russia in the XXI century in large cities, and requires, according to them, urgent development of agglomerations. Pursuing this policy has led to the fact that at present the

urban population in this country makes up more than 75% of the total (with a corresponding growth of the cities where more than one million people live).

As part of the implementation of this rule, the creation of such new agglomerations as “Kazan-Nizhny Novgorod” and “Yekaterinburg-Perm” has been planned in recent years. At the same time, it seems obvious that the increase in the number of large cities enhances the possibility to ensure a decent quality of life for the population, as these cities attract the economically active part of it to the agglomerations. This can be explained by the concentration of financial, technical, industrial, social and other resources there.

As a result, large territories are totally depopulated: over the past 25 years, about 30 thousand villages have disappeared in Russia, currently 75 thousand villages are populated by only a few people (from 1 to 25).

These extremely negative factors, which significantly reduce the strategic stability of the Russian economy’s development, its social orientation, destroying human relations, lead to the primitivization of economic parameters. Immediate harmonious territorial development of the Russian Federation is required, the capabilities of particular territories must be taken into account. This development can be conducted on the basis of effective use of modern information technologies and digital Gosplan. This is a possible way to solve targeted problems of the development of industries, infrastructural objects, the movement of labor and financial resources, cargo, and other problems in regions and cities.

In this regard, the most important task of the state economic policy at present is to develop a set of measures to improve the life quality in Russia through economic growth and the creation of various industries and solving other issues with an appropriate mechanism for monitoring the achievement of results. At the same time, the

<sup>11</sup> National Bureau of Statistics of China. URL: <http://www.stats.gov.cn/was5/web/search?channelid=250710&andsen=Communiqu%C3%A9+on+the+Fourth+National+Economic+Census&x=9&y=11> (accessed on 20.11.2022).

<sup>12</sup> Japan’s GDP by year: 1980–2022. URL: <http://global-finances.ru/vvp-yaponii-po-godam/?frp=aHR0cDovL2dsb2JhbC1maW5hbmNlcj5ydS92dnAteWFwb25paS1wby1nb2Rhbs8-&instream=> (accessed on 20.11.2022).

development of rural areas will largely ensure an increase in industrial production (due to the growing demand for specific cars, tractors and other agricultural machinery and equipment). It will also promote the creation of appropriate plants for processing agricultural products and its packaging.

### CONCLUSIONS

The study showed that the issues of the development of the domestic economy in non-standard circumstances of the market relations formation, when the implementation of economic mechanisms is limited by the total non-market behavior of hostile countries, are relevant and significant for designing a response to new challenges and threats to

Russia's economic security. The author states the reasonableness of implementing the mobilization economic model as a technology of anti-crisis state regulation under unusual circumstances.

The study identifies the priority measures of the anti-crisis mobilization model of public administration in the field of domestic and foreign economic policy.

Modern challenges and crises in the global and Russian economy and total sanctions pressure associated with the geopolitical interests of Western countries dictate the need to modify the country's economic policy, the implementation of which becomes a crucial condition for preserving the sovereignty of the Russian economy.

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