

# Prospects for the Economic Development of Russia on the Basis of Optimizing Corporate Governance Models Under the Conditions of Exiting from Consequences of the Coronavirus Pandemic

Oleg Sudorin<sup>1,\*</sup>, Andrey Strygin<sup>1</sup>, and Ekaterina Karelina<sup>2</sup>

<sup>1</sup>Moscow Automobile and Road Construction State Technical University, 125319 Moscow, Russia

<sup>2</sup>Moscow State Technological University «STANKIN», 127055 Moscow, Russia

**Abstract.** Global macroeconomic changes in the growth rates of the world's leading countries in the 21st century are undergoing significant changes due to the clear advantages of Asian forms of corporate governance models of the leading BRICS countries. However, the forecast expectations of the growth of national economies, including the Russian one, have sharply changed the situation with the coronavirus pandemic, which led to an inevitable decline in macroeconomic development indicators, including the search for more optimal corporate governance models. This, in turn, determines the content of the publication.

## 1 Introduction

The stabilization of the domestic political and socio-economic situation in Russia at the beginning of the XXI century allowed the team of specialists from the NIISI RAS to prepare a program that formed the basis for the Decree of the Government of the Russian Federation No. 1662 of November 17, 2008 and is better known as "Strategy 2020" [1], which assumed to increase the GDP 2.5 times by 2020 based on a 40% increase in labor productivity and achieve its stable growth at the level of 4%. The National Projects declared in the May (2008) Decrees of the President of the Russian Federation and in the Presidential Address to the Federal Assembly in 2020 were to be aimed at its implementation. [1].

At the same time, with the beginning of 2020 and the beginning of the pandemic, all forecasts in the development of the national and world economy turned out to be untenable, since the total introduction of restrictive measures significantly influenced the economic potential of countries, the recovery of which largely depends on the models of corporate business management adopted in them.

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\* Corresponding author: [sudorinoleg@yandex.ru](mailto:sudorinoleg@yandex.ru)

## 2 Materials and methods

At the same time, the independent international expert group “PwC” [2] carried out an analytical forecast of the development of the world economy until the middle of the XXI century, where Russia's position in the international rating is consistently ranked sixth against the background of significant dynamic shifts in the system of world economic relations.

**Table 1.** Achieved and projected economic rating of the leading countries of the world

Country ranking	2015	2025	2050
1.	China	China	China
2.	USA	India	India
3.	India	USA	USA
4.	Japan	Japan	Indonesia
5.	Germany	Germany	Brazil
6.	Russia	Russia	Russia
7.	Mexico	Indonesia	Mexico

Source: Forecast by analytical group «PwC». Access mode <http://www.pwc.com/world.2050>

The authors of [2], based on an assessment of the current socio-economic situation of the G7 countries, representing the six most dynamically developing (including Russia) economies in the world, as well as Australia and the Republic of Korea, showed that if in 2015 the rating of the leading countries was consistently distributed as follows: China, USA, India, Japan, Germany, Russia, then by 2050 at the current rate, it will change as follows: China, India, USA, Indonesia, Brazil and Russia.

At the same time, by 2025, which is not far off, the Russian economy in terms of total GDP will actually be equal to the GDP of Italy, which is one of the G7 countries [3], and India will overtake the United States. Even more dynamic shifts can actually occur by 2050, when Indonesia, being in the eighth place now, will push Japan from the fourth place, making the country move to the eighth place. In turn, the economic rating of Germany will become ninth, while the stable sixth place belongs to Russia. At the same time, it should be noted that the projected shifts [4] are associated with the transformation of the world economy into a single market for goods, services and capital with the growth of the influence of transnational corporations, and hence the intensification of the development of foreign economic relations.

At the same time, the expansion of foreign economic activity of countries leads not only to a macrostructural reorientation of the model of their economic development (for example, the United States of America and China have a pronounced export-oriented economy), but also to a change in the parameters of the quality of life of the population [5], as well as to the usual mechanisms of corporate management, which determine both the quality of life of the population and the level of economic potential itself [6]. Based on this, as well as focusing on the parameters of long-term forecasting, the authors will try to assess the choice of an acceptable mechanism for corporate governance of business in Russia on the way of the country's exit from the consequences of the coronavirus pandemic and ensuring the required level of quality of life for its population.

## 3 Results and discussion

The concept called Quality of Life has long become one of the key indicators for assessing the level of effectiveness of socio-economic development of countries, in accordance with

the recommendations of the United Nations Development Program (UNDP), the World Health Organization (WHO) and a number of other specialized UN agencies. It characterizes the level of satisfaction of any material, spiritual and social needs, the level of intellectual and physical development, as well as the degree of ensuring the safety of life [6]. According to the WHO definition, the quality of life indicator largely overlaps with the semantics of the human capital and human potential indicator. In other words - "preservation and increase of population", about which, paraphrasing the well-known aphorism of A.I. Solzhenitsyn and sent the main provisions of the Address of the President of the Russian Federation to the Federal Assembly of 2020.

If we speak about human potential, it should be noted that in accordance with the UNDP recommendations [7] and the already noted WHO definition of the content of the quality of life indicator, the UN Population Department has adopted universal methods (working title "Sf-36", "EQ-5D" and a number of other.), which include such important socio-economic indicators as life expectancy, education level and GDP per capita. At the same time, according to the forecasts of the same UN Population Department, confirmed by the analytical calculations of Eurostat [8], the trend of the demographic development of Russia clearly has a negative trend [9], which, in turn, will require special attention to the use of models of corporate governance that are acceptable for the current situation. , allowing to achieve catalytic results of economic recovery as a result of falling GDP from the introduction of anti-coronavirus measures throughout the country.

At the same time, if we compare the cost estimates of human capital in different countries at the time of the UN adoption at the Millennium Summit with the subsequent prolongation in 2015 of the Sustainable Development Program [10], it will be clear that the maximum amount was formed by the aggregate contribution of the G7 countries, and above all the United States. However, starting in 2013, when the United States overtook and continues to lead China in terms of the aggregate GDP level, the structural ratio in the cost proportions of the contribution to human capital by industrialized countries and the most dynamically developing economies in the world began to change. And considering the already noted forecast [2], it is the BRICS countries (and primarily Brazil, Russia, India and China) that should form the bulk of the valuation of world human capital.

Stimulating factor in the growth of the cost of human capital for India and China is not only the numerical expression of their population, but also the so-called Asian model of corporate governance adopted in countries. The long-term orientation of Russian business structures towards the American model of corporate governance led to a long-term depopulation in the Russian Federation, which not only hindered the development of human capital, but also directly threatened the country's national security.

## 4 Conclusions

As the national reserve funds accumulated in the pre-coronavirus period, the valuation of domestic human capital also began to grow. So, according to the RF Ministry of Finance [11]: in 2008, the cost of human capital was estimated at 790 trillion. Rub.; in 2010, its value was already estimated at 870 trillion. Rub. And even despite the beginning of the sanction's economic confrontation at the beginning of 2014, the cost of Russian human capital exceeded 900 trillion Rubles, and then became an order of magnitude higher. Thus, the correctness of the strategy of economic development of Russia was confirmed, with the abandonment of the American one and the transition to the optimal combination of European and Asian models of corporate governance. At the same time, a basis was created for the sustainable development of the national economy for the foreseeable future [12].

The coronavirus pandemic significantly affected the initial forecasts of Russia's economic development, when, according to analytical forecasts [12], reaching the pre-crisis

level is possible only by the beginning of 2022, which will make it possible to ensure GDP growth in the range of 3.3-4. 2%, since the forced restrictions and additional financing of health care led to a natural decrease in the already low rates of national economic development. But it was the rational combination of European and Asian models of corporate governance that made it possible to avoid a sharper drop in the country's GDP compared to other leading economies in the world. True, the rest of the countries where either a purely European or American model of corporate governance dominates, the rates of economic development of which have significantly slowed down, have also faced these problems.

Investments in the preservation of human capital associated with overcoming problems of an epidemiological nature, despite an almost 5% reduction in the state budget by the summer of this year, helped stabilize the course of recovery from the "post-coronavirus syndrome" with the least economic losses and predict the full recovery of the pre-epidemiological level of the economy. by mid-2021. However, the second wave of coronavirus in the fall of the same year significantly changed expectations. The state again had to sharply increase investments in human capital, which ruled out a quick exit to the pre-crisis level. As a result, in summary, it should be emphasized that a successful exit for Russia, considering the experience of the first coronavirus wave, is associated with a repeated combination of European and Asian models of corporate governance, with an increase in the share of the latter, given the positive experience of China's exit from the epidemiological situation.

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