

From pandemic crisis to Rational Localization and optimal Logistics of Development

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Abstract

Research background: The aim of the scientific contribution is to analyze the current position of the Russian economy in the context of other countries. The article consists of a deduction of the current position of the Russian Federation and the subsequent proposal to continue the fight against the COVID-19 crisis.

Purpose of the article: Using the analysis of available sources of scientific research, the analysis of the current position of the Russian economy in the context of other countries. The paper offers basic recommended goals for further progress in the time of a pandemic.

Methods: The coronavirus pandemic has turned the world into a new reality. It showed the weaknesses and strengths of states, their constitutional structures, economic and social models. The post-pandemic world will be different, significantly different from the current one. And this pandemic will not be an exception, but will become one of a series of past and future world problems. And the world must be prepared to meet them. It is necessary to learn how to manage the development of large-scale systems at various levels from internal regions, states and to the world economic and political system as a whole. States must learn how to manage in a critical situation so as not to expose their peoples to significant disasters, much less extinction. They should establish mechanisms to predict and combat undesirable hazards. Using the scientific method of analysis of available resources, the authors analyzed the current position of the Russian Federation in relation to selected economies of the world. By synthesizing the knowledge and subsequent deduction, the authors propose further recommendations and steps in the time of the COVID-19 crisis.

Findings & Value added: The pandemic that led the world to a crisis of health and survival, economy and trust has shown how much the world needs

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to be improved. At the same time, it clearly showed what strategic directions Russia needs to move in order to save its people, its territory, and strengthen itself in the top three world economic leaders. And if the strategies are clear, and the tasks are defined, then the matter remains only for their implementation.

Keywords: *Russian Federation; localization; logistics performance; trade*

JEL Classification: *J18; J54; J64*

1 Introduction

The coronavirus pandemic has turned the world into a new reality. It showed the weaknesses and strengths of states, their constitutional structures, economic and social models. The post-pandemic world will be different, significantly different from the current one. And this pandemic will not be an exception, but will become one of a series of past and future world problems. And the world must be prepared to meet them. It is necessary to learn how to manage the development of large-scale systems at various levels from internal regions, states and to the world economic and political system as a whole. States must learn how to manage in a critical situation so as not to expose their peoples to significant disasters, much less extinction. They should establish mechanisms to predict and combat undesirable hazards.

The pandemic specifically showed that any state sees as its main task not world concern, but primarily concern for its country, its economy, its system, almost always for its people. This is to some extent justified and even saving. In this case, fears for their people prevent the outbreak of world war, which, with huge stockpiles of weapons, can happen at any time. But, on the other hand, the liberal selfish national attitude to global problems threatens as a result a disaster for the entire Earth civilization. This includes, for example, the rejection by individual states, primarily the great powers of the United States and China, of unified requirements for saving an environmentally friendly natural environment, the basis for the survival of humanity. A new paradigm of countries and humanity as a whole is needed, taking into account all types of dangers that are encountered in the way of the development of States, their ambitions, their ties, and competition among them.

2 Methods

The research is based mainly on the methods of scientific analysis, synthesis, generalization.

In the case of the pandemic, Russia needs to apply the principle of strategic management - turn threats into opportunities, weaknesses (problems) - into strengths. And in this regard, there exist objective prerequisites for rapid breakthrough development in Russia. To compare with other states, Russia has much more of them. For constructing the future, we should proceed the principle: "Russia's problems are its not yet used opportunities". And this, indeed, is so: the vastest territory in the world, twice the territory of the closest neighbors in the rank (China and the USA); the largest reserve of raw materials among the nearest neighbors (China and the USA); a vast zone of fertility that runs latitudinal throughout the country and has 44 per cent of the Earth's black soil; the huge infrastructure potential of industrial production (though still suspended and not fully utilized); high overall intellectual, scientific, technological and productive potential, provided by the State-wide competitive principle of training on the basis of free high-quality education covering the entire young generation, at all levels, with access to educational centers from any, including remote, settlements. The quality of education was initially ensured by the historical combination of accurate and punctual German pedagogical methodology, combined with the exceptional Russian

language imagery and the national mentality characteristic of peoples living in vast territories. And after it was increased by the corresponding state policy of forming a versatile developed person, a highly qualified specialist (Prokofieva et al., 2020).

So the main problems of Russia are - the insufficient population for such a vast territory and such a volume of world-class raw materials, which provokes the desire of individual states to annex significant territory, whether by military means, or by neocolonialism (Majercak et al., 2013).

Another problem is the asymmetry of population, reclamation of various regions of Russia, which also motivates the desire from the outside to annex significant poorly populated territories of the Asian part in Russia.

The next problems are the systemic injury both to health and the nation intellectual potential, the critical reduction of various levels managerial factor through the implementation of the so-called optimization reforms (Lamin et al., 2005).

In terms of medicine, there's a good example - the lack of doctors and medical staff, hospitals at a critical moment in the pandemic.

The transition to the Bologna system in a higher school is unnatural for Russia. Training bachelors - not fully qualified specialists and masters - not fully qualified scientists is dangerous for a huge country with a relatively insufficient population. The country needs extremely high-class specialists who ensure a high technological level and higher labor productivity. Only in this case Russia can achieve high competitiveness in the world economic system.

The need for accelerated, breakthrough development of Russia dictates its position in the global economic hierarchy, Table 1.

Table 1. The Status and Prospects for GDP Growth in the World's Leading Countries.

IMF: the world's largest economies by nominal GDP, \$ billion								
		2018	2019	2020	2021	2022	2023	2024
1.	USA	20 494	21 345	22 198	23 060	23 923	24 813	25 729
2.	China	13 407	14 217	15 468	16 807	18 207	19 714	21 310
3.	Japan	4 972	5 176	5 495	5 808	6 134	6 476	6 849
4.	Germany	4 000	3 964	4 157	4 335	4 527	4 714	4 912
5.	India	2 717	2 972	3 258	3 577	3 924	4 306	4 729
6.	United Kingdom	2 829	2 829	2 927	3 027	3 142	3 266	3 399
7.	France	2 775	2 762	2 876	2 982	3 100	3 220	3 354
8.	Italy	2 072	2 026	2 090	2 142	2 201	2 257	2 323
9.	Brazil	1 868	1 960	2 063	2 156	2 256	2 360	2 468
10.	Canada	1 711	1 739	1 832	1 926	2 027	2 134	2 242
11.	Korea	1 619	1 657	1 744	1 832	1 930	2 036	2 151
12.	Russia	1 631	1 610	1 667	1 725	1 983	1 846	1 921
13.	Spain	1 426	1 429	1 497	1 560	1 627	1 693	1 766
14.	Australia	1 418	1 417	1 481	1 551	1 630	1 716	1 801
15.	Mexico	1 223	1 241	1 298	1 358	1 424	1 495	1 570

Source: The official page of BCS Markets SA on Twitter (2019).

3 Results and Discussion

3.1 Goal setting

It is necessary for Russia within 10 years to increase its economic potential by 10 times. The task is colossal, but complex and at the same time interesting and fundamentally implemented. But so far, over the course of 3 decades, there has been a reverse process - a lag in the pace of development of the Russian economy from its competitors. Such a lag represents a real threat to Russia's security. And it is unnatural with the complex potential that the country possesses. Moreover, the lag was not the result of wars, the destruction of material objects, but was connected exclusively with the managerial factor, the deliberate state policy pursued in the post-Soviet period.

Is there an opportunity to rectify the situation out of the state of systemic crisis?

And here it is necessary to analyze and use the pandemic factor as an incentive. Tragedy should initiate the desire for growth and development. Russian President Vladimir Putin has determined the necessary course in one of the most important directions. Considering the spread of the epidemic to be associated with overcrowding and active circulation of human flow through high-density objects (popular world tourist facilities), spreading disease around the world, he gave the installation to urgently develop domestic tourism in Russia. Domestic tourism in Russia is almost new, more precisely forgotten old for our country, an industry with the necessary quality and accessibility, at any level and in all regions. The task is grandiose difficult, but necessary in its solution.

However, everything, including the development of tourism, should be based on material basis (production, commercial industry and agriculture). And in this case, there are classic examples for Russia to get out of systemic crises. Moreover, Russia itself is the discoverer, the pioneer of organizing such a process.

A classic example is America's (USA) exit from the Great Depression, generated by two main factors. The first is economic glut and overhang of the domestic market; the second is the liberal position in the country's private financial system - the Federal Reserve System. The main purpose of any commercial structure is to generate profit. There are two main principles for achieving the goal: raising the credit rate and reducing the loan repayment period. Both principles lead to the production suppression of the borrower (Goncharenko, 2004; Suslov, 2004; Vasiliev, 2006).

The beginning of the escape from the Great Depression was laid by the Roosevelt New Deal. The Deal launched Strategic Fund and labor-intensive projects for development of road, port and industrial infrastructure, which, as key links, pulled the chains of other related industries. At the same time, a strict state policy was adopted regarding the banking system with its division into two groups: investment banks and commercial banks. Investment banks were under state control. They had restrictions on the maximum credit rate and the minimum repayment period. However, it was only through them that the State allocated huge budgetary resources for basic projects. The state ensured the reliability of this group banks. Commercial banks remained operating in the usual liberal commercial manner. But they did not receive the support of the state, its orders.

The continuation of the US withdrawal from the Great Depression ensured an increase in industrial production in the conditions of World War II - weapons, food and goods for the supply of the US Army and its allies.

However, the New Deal is not a pioneer. It was based on the experience of Soviet Russia, its first five-year plans, implementing the GOELRO strategic plan. At the same time, the GOELRO plan was implemented in an even more critical situation for the country, when there was no overproduction factor, when there was not enough potential for a national

industrial and transport base. To study such best practice for world practice, American scientists and economists arrived in Russia, who prepared the Roosevelt New Deal.

Germany acted before World War II according to the same scheme.

China used this technique in its rapid development, including the period of decline in demand for Chinese products in the world market (Nedeliakova et al., 2014).

3.2 Russia. What to start with?

Considering the urgent need to emerge from the long 30-year crisis, there arises a logical question "Where to start from, what measures and in what sequence to carry out the rapid modernization and development of Russia?"

The beginning, as with any project, there should be results framework. This is what Professor V.A. Persianov and other prominent scientists of the country insisted on. In this case, it is necessary to understand who and what we are, for what we are. Russia is for our people and for the whole world, for the CIS countries, for countries far abroad. That is it is necessary to determine the mission of the country, supported by all people, causing a nationwide creative, productive impulse (Mordvinov, 2008). The impulse to which all the forces, means and mechanisms of the state are subordinate. The United States has the mission, China, Germany, most countries have it. The level of missions, both global and regional, is formulated in accordance with the potential of the actors and the will. The ambition to define the Mission should be extremely high. The need for such an approach is again shown by the results of the USA, Germany, Japan, Korea, China, India, the UVA countries, etc. The USSR had this mission too. Modern Russia has not yet formulated such a mission (Koptuyug et al, 2000).

Further, scientifically based strategic milestones and deadlines for their achievement should be formed. Some lines are obvious - a multiple increase in the country's GDP, on a material basis. Otherwise, not only the country's economy will be threatened, but also the very existence of Russia, as a state within existing borders. The second is accelerated human capacity-building. And this can be achieved only by a psychological rise in the enthusiasm of the people, as shown by the world, including the Russian experience of the last third of the 19th century and the entire period of the 20th century, except for wars and the last decade, as well as by strengthening their physical health and well-being (Gorin, Persianov et al, 2019).

After that, general work should begin on the development of the economy balanced by sectors and regions, development, which is necessarily systemic, planned and proportional with the definition of time intervals and responsibility for execution.

3.2.1. How to carry out implementation

The implementation of this ambitious strategy should be divided into two main phases.

The first phase is the creation of a material basis for strategic development.

It is the practical restoration of the objects functioning, scientifically justified and practically tested General Scheme for the development of the deployment of productive forces, developed in 1968.

This means the commissioning of industrial facilities of all populated areas that completely absorb local labor resources. This event eliminates the practice of latrine fishing, when labor masses from the Moscow Region, neighboring regions flow to large cities, primarily Moscow, for any, including unskilled, work not related to the received specialty. Thus, the dangerous crowding of people in the current centers of attraction will be eliminated to a large extent. Rational localization of society will be implemented. This will have a

number of very important positive effects (Jerabek, Majercak, P. et al, 2016; Majercak J, 2016; Majercak P, 2015).

First of all, it will ensure the revival of stopped and abandoned production on the periphery and the economy of the regions as a whole. The return of heads of families to their homes will have a positive impact on demographic growth.

The return of workers to their places of residence will give impetus to the revival of rural, suburban and urban subsidiary farms, horticultural and livestock partnerships, and will reduce the shortage of a number of agricultural and livestock products in families. This method has been tested not only in Russia, but also in European states. In addition, the nature of such work will contribute to active recreation in nature and, accordingly, recovery.

To ensure this maneuver, appropriate finances should be allocated from contributions to the state budget. Back in the middle of the 19th century, Admiral N. Mordvinov, who at that time served as chairman of the Department of Economy, Chairman of the Department of Civil and Spiritual Affairs, a member of the Cabinet of Ministers, a member of the Finance Committee considered: "What degree and power can the Sovereign State, which possesses both the great space of the lands, and the great number of the people, and the great monetary capital reach? In order to make the procession to the degree of such greatness so great... It is necessary to place capital throughout the entire space of the State in such districts, where the actions of their most beneficial can be done.... The Neva and Moscow will not be two rivers flowing between large-sized buildings and in the bergs of patterned, stripped with ipsis and eternal hardness; but Dvina, Dnieper, Don, Volga, Ob, Lena flow between many great and large large degrees; they will be multiplied by trading shelters; their prosperous villages and nivas will decorate the shores; the waters are covered by their ships, sailing with rich excesses of mutual exchanges, and nothing will be ignited anywhere. Then Russia will make a truly united kingdom: equally everywhere equipped, equally tricked in any art, equally preemptive, and the prosperity of the spread is equally throughout its long face. "

At the same time, at the already achieved level of development of IT products, it is possible and necessary to widely use remote methods of work, as well as, where possible, replace a person with machine performers, especially on heavy and routine operations in the field of production, industry, municipal statistics, etc (Bandman, Malov, 1998).

Another measure of economic recovery is the redistribution of labor resources from the crowded sector of finance and services to the real production of material products.

However, despite the effectiveness of these measures, it will not be possible to achieve a comparable economic level between the two leading countries of the world. You can only narrow the gap. The potential of the old-industrial regions in the European part of Russia, the Urals and focal industrial facilities of the rest territory to solve such a grandiose problem is insufficient. To do this, it is necessary to conduct an additional event of an exceptionally large scale with a different performance. We need a second phase of development.

The second phase of the accelerated breakthrough development of Russia to achieve the goal can be realized only by a large-scale expansion of the industrial space towards Siberia, the Far East and the Russian North.

A whole system of fund and labor-intensive strategic projects for the country can be involved here. Quite a lot of research works of domestic scientists are devoted to prove the necessity to develop these events, first of all Siberian.

To do this, there must be developed the existing one and a new basis - transport infrastructure, where new industrial facilities will be based. Thus, new transport and industrial belts will be created.

The most important belt is the Northern Latitudinal Economic Belt, which should be based on the through North Russian Eurasian Latitudinal Railway, which should include the

Sakhalin Road, the Baikal-Amur Highway, the promising North Siberian Highway and promising railway exits to Barentsevo (Barentskomur), Beloe (Belkomur) and Baltic sea.

This is the belt, located on the most important promising fields, allowing to build powerful industrial facilities, that will allow to multiply the country's GDP and achieve a competitive level and strengthen in the top three world sovereign states.

To launch a large number of powerful industrial facilities, they need to be provided with labor resources. To attract Russian citizens from other regions, attractive economic and cultural conditions should be created at the site of new construction and industrial production. The quality of life should not be inferior, but often exceed the living conditions in developed areas of the European part of the country (Gromov, Persianov, 2010).

One of the first conditions should be implemented all-weather, all-season transport accessibility for passengers and high-efficiency cargo transportation. It should be based on high and ultra-high speed rail links with a high degree of reliability and comfort on the most efficient physical principles. The very laying of such highways in difficult climatic conditions will require the use of the most advanced construction methods, the creation of completely new technologies, including the most advanced in the world. And there are such opportunities. Dispatch of the passage of ultra-high-speed trains with a minimum space-time gap between them should be provided at an unprecedented level of safety.

Despite the inspiring economic and social conditions, the problems of labor shortages will remain. And it is possible to ensure the necessary levels of production, with the necessary quality, repeatability of product parameters only on the basis of full coverage of production by automatic and automated systems. I.e. the fundamental condition for the industrial development of huge, poorly populated spaces under difficult natural and climatic conditions can be only on the basis of small, flexible technologies. The latest technologies are most actively perceived in places of their highest demand. Thus, Siberia should become not only a "technological pedestal," based on its unique scale and diversity of the raw material base, but also a "technological peak" with the newest technologies in demand by the country and the world community. Small technologies are a promising commodity niche in Russia on the world market (Goncharenko, Persianov, 2013).

But it is also necessary to add certain conditions creation of transformations, organizational and legal forms, type of free (special) economic zones, clusters, etc.

Solving such various and multifunctional tasks makes it difficult to carry out a huge amount of information and analytical work. Even the general initial coverage of the problems, goals, conditions of Russian breakthrough development shows which vast arsenal of IT products should be in demand (Nedeliakova, Sekulova et al., 2014; Majercak J, Majercak P, 2015; Majercak J, Majercak P, 2017).

However, it is necessary to look at the prospect of achieving the necessary leadership of Russia from an even higher level, When, in anticipation of practical steps to modernize and transform the whole country, the development of a new General Scheme for the Development and Deployment of Productive Forces, taking into account fundamentally new technologies, is required, the new technological structure in demand in the development, production and delivery of finished products not only within the country, but also with a successful entry into the world market, taking into account its dynamic variability on the economic and political field (Kampf et al, 2016). At this level, it is necessary to attract not just IT products, but already artificial intelligence, which expands the ability of a person to meaningfully carry out a focused search for effective solutions, correctly choose strategic directions for the harmonious, safe and sustainable development of Russia in the 21st century. New technologies are already changing the world, the head of state said. "Artificial intelligence, unmanned equipment, genetics, medicine, education - all this will be the base on which the country will develop," Putin is sure.

4 Conclusions and Implications

The pandemic that led the world to a crisis of health and survival, economy and trust has shown how much the world needs to be improved.

At the same time, it clearly showed what strategic directions Russia needs to move in order to save its people, its territory, and strengthen itself in the top three world economic leaders. And if the strategies are clear, and the tasks are defined, then the matter remains only for their implementation.

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