# Import Independence is the main Factor of Economic Independence of the Russian Economy

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#### **Abstract**

The economic security of the state is a complex and multifaceted structure. Being a part of the national security system, it simultaneously forms the basis for the formation of all elements included in its structure: military, technological, food, environmental and other security. Independence from imports ensures economic sovereignty and directly affects the degree of independence of the national economy, while ensuring economic security in difficult geopolitical conditions. Import independence is a state of the national economy that Russia must achieve in order to ensure its economic, food, military and other security while refusing imports, thereby strengthening its economic and national sovereignty. However, the lack of financial and material resources, political instability, and economic crises they haven't allowed it yet for the full implementation of programs and plans in this area.

Keywords: The Economic Security, Import Independence, State Policy in the Sphere of Import Independence.

# Introduction

According to the authors, import independence is such an achieved state and such a level of development of the national economy, which are characterized by the full ability of the state, if necessary, to completely refuse to import foreign technologies, equipment, components and other products. Import independence is achieved by the right economic strategy based on the state policy of creating its own industrial base, capable of replacing imported goods by developing new technologies for the production of national competitive types of products that are not inferior in their characteristics to imported samples, and often surpass them. In other words, import independence is the result of the correct economic strategy and industrial policy of the state, aimed at protecting the national producer by gradually replacing imported industrial goods with domestically produced goods and thereby increasing the degree of independence from the import of technologies, goods and components imported from abroad. In this case, import independence becomes a key factor in economic independence, a guarantee of economic security. The problem of achieving true import independence is becoming more relevant for Russia in connection with the tightening of Western sanctions imposed against it in connection with the events in Ukraine. The sanctions imposed on the Russian Federation have not only significantly slowed down the country's economic development, but also clearly demonstrated how important it is to increase the level of independence from imports in the context of modern geopolitics. Experience has shown that only a reliable, effective system of economic security can serve as a guarantor of the country's sovereignty and independence, its stable and sustainable socio-economic development. Many industrially underdeveloped countries, including Russia, do not have their own competitive scientific and technical potential and are completely dependent on equipment and technologies imported from developed countries.

The US course towards international isolation of Russia, restricting its access to world markets, technologies, financial resources, as well as the high probability of further expansion of such sanctions in connection with the military operation launched by Russia in February 2022, may lead to the fact that the technological lag and dependence of Russia on imports will increase.

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Our country imports construction and agricultural machinery, other machines and industrial equipment, metal-cutting machine tools, airplanes, cars and tractors, computers, televisions and telephones, medical devices and medicines, meat and dairy products, clothing and footwear and much more. As a result, there is a strong economic dependence of Russia on other countries, in particular on the European Union and the United States. Thus, capitalist Russia maintains a critical dependence on imported goods, despite hundreds of billions and trillions of rubles allocated from the state budget to solve import substitution problems since the early 2000s. Whether any of these managers will be held accountable for ineffectively spent public taxes is, of course, a rhetorical question.

The task of gradually replacing imported goods with domestic ones, with a simultaneous transition to the production of our own innovative technologies, competitive goods and components for industry, transport, agriculture, as well as consumer goods, was set by the country's leadership many years ago. Thus, holding a meeting on the issue of import substitution in connection with the threat of termination of supplies from Ukraine of products for a number of sectors of Russian industry, including the military-industrial complex on April 10, 2014, President V. Putin directed the government to develop its own production instead of imports.

With the start of military actions against Ukraine in February 2022 and the introduction of several thousand (some authors say over 10,000) restrictions and bans on the import of modern equipment, technology and components to Russia under previously concluded supply contracts, the country and its economy are facing an acute problem of import substitution.

The strategy of import independence requires that import substitution become the most important element of economic policy and a tool for achieving the main goal - achieving a positive balance of foreign trade in goods and services. A reasonable solution to this problem will not only reduce imports, preserving a significant amount of foreign currency in the country, but also make goods cheaper, support domestic producers, create jobs, and promote the improvement of domestic engineering education. Therefore, the central element of industrial policy should be import substitution, which will significantly minimize the negative effect of possible sanctions. The main task at present is to significantly increase the investment attractiveness of industry and, above all, high-tech mechanical engineering. Attempts by the state to create conditions for the emergence of its own production in the high-tech sphere do not discredit foreign manufacturers, but protect the national economy. In modern conditions, it is extremely important to develop a well-founded theory and methodological foundations of import substitution, substantiate a set of recommendations for the development and implementation of the import substitution process in a single regulated foreign trade mechanism.

The policy of import independence in Russia, despite the difficulties noted, has a good chance of success. This is due to a large number of factors. Firstly, Russian enterprises in most cases have no problems with access to the necessary raw materials and natural resources. Secondly, production costs when opening a production facility in the Russian Federation will in many cases be lower than abroad, actually, due to the relative cheapness of some natural resources. Electricity is also quite cheap in Russia. We have already mentioned the wage advantages that have arisen due to the fall in the ruble exchange rate. Thirdly, Russia has significant technological potential. So far, it is being realized in practice in a small number of industries - mainly in the military-industrial complex and in space exploration. However, if necessary, as many analysts believe, it is always possible to transfer certain military developments to the civilian sector. How successful the import substitution plan in Russia will be in a particular sector depends largely on the position of the state.

# Literature Review

The problem of economic security has been considered in foreign literature for quite a long time, especially after the Great Depression in the United States. The beginning of research into economic security issues is associated with the Great Depression in the United States and the New Deal. In 1934, US President F. Roosevelt created the Federal Committee on Economic Security, which was mainly engaged in combating

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unemployment and protecting the economic interests of citizens. It should be noted that even today, economic security in a number of Western countries is understood as protecting businesses and citizens from a sharp deterioration in their financial situation. The American researcher B.G. Buzan understands the term "economic security" as a state of the economy that ensures the economic well-being of entities. He believes that market stability depends on a number of factors, but their negative impact is offset by the reserves of economic entities, which allow maintaining its stable state (Buzan B., 1991). A different view of the problem of import independence is contained in the works of A. Posen and D. K. Tarullo, which reflect the issues and mechanisms for ensuring national and economic security. A. Posen and D. K. Tarullo argue that in modern conditions economic relations between states define economic security as a concept that cannot be neglected (Posen A., Tarullo D., 2008). In their work, the researchers not only analyze the impact of globalization processes on the economic security of states, but also formulate a number of practical recommendations for strengthening it.

M. Kahler believes that globalization has changed scientific approaches to defining economic security, and has sparked a debate about the factors influencing the level of economic security (Kahler M., 2004). An analysis of foreign experience in studying economic security is contained in the dissertation of E.S. Mityakov. Based on numerous facts, the scientist makes a reasonable conclusion that scientific interest in this problem is growing due to the emergence of new challenges to the world economy associated with globalization, economic sanctions and other threats to economic security (Mityakov E.S., 2016).

For a long time, the problem of economic security was ignored by the Russian Government. We have attempted to create federal bodies to monitor and study these problems (the Committee for the Protection of Economic Interests of Russia under the President, the Working Group on Economic Security under the Government of the Russian Federation), but they were unsuccessful.

In articles by Russian economists and in the media, the term "economic security" began to sound only in the 1990s. The first articles on the problems of economic security in Russia appeared at the end of 1994. The conceptual foundations of the concept of economic security were studied by Russian economists L. Abalkin, A. Arkhipov, K. Samsonov, E. Bukhvald, N. Glovatskaya, S. Lazurenko and others in a fundamental work published in the authoritative scientific journal "Problems of Economics" (1994), where they also gave an objective assessment of the economic security of the state at that time, studied the main threats and ways to eliminate them.

A significant contribution to the theory of economic security was made by such Russian scientists as: S.Yu. Glazyev (1999), V.V. Barabin (2001), V.K. Senchagov (2002), V. K. Butorin, A. N. Tkachenko and S. A. Shipilov (2007), V.S. Zagashvili (2016), Mityakov E.S. (2016, 2018) and others. Thus, in the scientific work of V.S. Zagashvili provides concepts of the state's economic security, analyzes the main determining factors, as well as ways and means of ensuring it. The author, using extensive factual material, examines the real state of Russia's economic security, the main trends in this area associated with the liberalization of the economy, Russia's inclusion in the global geo-economic structure and the international division of labor (Zagashvili V. S., 1997). In the monograph by V.K. Senchagov "Economic Security. Geopolitics, Globalization, Self-Preservation and Development" the problems of economic security are considered in the form of an indicative system, which includes national interests in the economic sphere, as well as threats and threshold values of economic security indicators. The issues of import independence and import substitution in the light of economic security were considered by Russian researchers (Senchagov V.K., 2002).

The issues of import independence and import substitution in the light of economic security were considered by Russian researchers I.K. Ivanova (Ivanova I.K. Prospects for Russia's Import Independence // Innovative Economy: Prospects for Development and Improvement, 2023, No. 7 (73), pp. 60-65), V.V. Moiseev (2022, 2023), V.A. Velikiy, T.O. Tolstykh, N.V. Shmeleva (2024), Kostenko A.K. (2023) and others.

The mentioned work of the Belarusian researcher Kostenko A.K. contains an in-depth analysis of this problem. Having comprehensively studied the progress of the import substitution policy in the Republic

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of Belarus, the economist substantiated the necessity and importance of the transition from import substitution to import independence as a higher level of ensuring the technological and economic sovereignty of the country (2023).

#### Method and Data Collection

In the article, the authors used analytical, comparative, statistical and institutional methods of a systemic approach to studying this problem. Using the listed research methods, the authors attempted to identify the true state of affairs in the field of import independence, show its impact on Russia's economic security, identify the main problems and risks associated with the processes occurring in the economy of modern Russia during the implementation of state policy to achieve independence from business in the current geopolitical situation. In assessing the problems associated with import substitution and the gradual transition of the national economy to the production of its own products instead of imported ones, the authors also used official documents of the President and the Government of Russia, statistical data, monographs and scientific articles by leading Russian scientists.

Since the mid-1990s, imported resources in the Russian Federation continue to occupy a significant share in the structure of retail turnover. Using imported raw materials and materials, technological equipment, Russian enterprises fall into a dangerous dependence on imported supplies. And the greater the share of imports in the total volume of supplies, the more significant the threats to the economic security of the region and the state as a whole. For reference: the dependence of modern Russia on Western technologies and components in a number of industries today amounts to 70 to 90 percent. This is evidenced by the following table.

Table 1. Import Dependence of Individual Sectors of the Russian Economy in 2022

Industry Economy	Import dependence (in %)
Heavy engineering	60-80
Light industry	70–90
Machine tool industry	80-90
Pharmaceuticals and medical	70-80
industry	

The table shows that modern Russia's import dependence is very high, one might say critical, bordering on a threat to national security. The highest dependence on imports is in industry, especially in radio-electronics and machine-tool industry, that is, in those industries that ensure the sovereignty and development of the national economy. Dependence on imports of consumer goods is high. In order to meet their growing demand, Russia today is forced to purchase goods abroad, including clothing and footwear in the amount of 80% of the need, telephones, laptops, computers and other microelectronics - almost 90%, auto parts - also 90% (Moiseev V.V., 2023, C. 7). Even fabrics, finishing building materials, other goods and products that are less complex to produce than the high-precision supersonic missiles "Oreshnik" and spaceships that Russia produces, come mainly from abroad, occupying more than 80% of our market.

The critical dependence on imports was clearly demonstrated by the aircraft industry, one of the leading sectors of the Russian economy. The stake on international cooperation in the Russian aircraft industry collapsed after the introduction of anti-Russian sanctions prohibiting the transfer of technologies and components to the country waging military operations in Ukraine. Thus, the Russian Superjet-100 aircraft, 50% of which consists of imported components, cannot be mass-produced or properly serviced to ensure flight safety today due to the introduction of sanctions prohibiting their delivery to the Russian Federation. It is known that important units and components for this aircraft were purchased abroad until 2022, including from France: avionics (friend or foe, autopilot, etc.), chassis; from the USA: aircraft power supply system, fire extinguishing system, interior and oxygen system, wheels, brake system, doors; engine vibration sensors were supplied from Switzerland, the control and life support system from Germany, and the crew seats from the UK.

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The bet on international cooperation failed after the introduction of anti-Russian sanctions, including those banning the export of components for Russian aircraft manufacturers. This is evidenced by the following table.

Table 2. Production f Civil Aircraft Ini Russia

Years	2019	2020	2021	2022	2023
The number of	23	20	19	16	9
aircraft					

The table shows that the once leading country has ruined its domestic production of airliners: from several hundred aircraft per year, Russia has dropped to 9 civil aircraft, of which only 5 are large-bodied (Ponomarev Yu., 2023). For comparison: the American airline Boeing alone produces per year over 600 aircraft. The Russian leadership is aware of the critical dependence on imports in the domestic aircraft industry. In order to somewhat correct the negative situation, Russian President V. Putin publicly announced in December 2023 plans to produce over 1,000 civil aircraft by 2030 (Putin, 2023).

A similar situation developed after 2022 in the production of passenger cars and trucks. The well-known AvtoVAZ plant was first forced to stop assembling cars due to sanctions, then began producing them incomplete - without imported airbags, ABS systems and other important units that increase the reliability and safety of car operation. A solution was found in the use of so-called parallel imports (semi-legal under international law), when missing parts were purchased in third countries, mainly in China, Turkey and Kazakhstan...

The reason for the high import dependence of modern capitalist Russia was the incorrect industrial strategy pursued in the post-Soviet period. Suffice it to say that the production of domestic machine tools and forging and pressing equipment, which are the basis of industrial production, has decreased by more than 25 times compared to 1991. In the USSR, machine tool building, as the basis of technological independence and the technological production base of the military-industrial complex, received resources on a privileged basis: the necessary equipment, raw materials and materials. The Soviet Union, as an absolutely sovereign state, had complete technological sovereignty. This was ensured, first of all, by the industrialization that was carried out, as a result of which the country began to have a highly developed machine tool industry, modern science-intensive technologies capable of developing the radio-electronic industry, the nuclear industry, space exploration, and creating a missile and nuclear shield for the country. For reference: thanks to large-scale industrialization, by 1936 imported goods accounted for less than 1% of the country's industrial output; machine tools manufactured in the USSR were supplied to 30 developed countries, including the United States, Germany, and Japan.

Thus, in the leading sectors of the Russian economy, the share of imports exceeds the permissible limits of ensuring the national and economic security of the country.

Machine tool building is the basis of the manufacturing industry, and without high-tech machine tools today it is impossible to produce modern cars, airplanes, supersonic missiles, spaceships, etc. The audit showed that Russian industry is currently almost entirely dependent on imported machine tools and their components. As noted above, 70 to 80% of the necessary machine tools were imported to Russia from abroad. To correct this situation, which created a threat to the economic security of countries, Russian President Vladimir Putin in July 2015 gave a written order to Prime Minister Dmitry Medvedev to carry out a number of activities to develop the machine tool industry and implement the approved import substitution programs. Significant funds were allocated to improve the machine tool industry within the framework of the state program "Development of Industry and Increasing Its Competitiveness", as well as the subprogram "Development of Domestic Machine Tool Industry in the Tool Industry", which was launched back in 2011. In 2015, the Control Directorate of the President of Russia conducted an audit of the Ministry of Industry. The Presidential Control Directorate revealed facts indicating the failure to implement state programs in machine tool manufacturing. Thus, out of 11.2 billion rubles allocated for the creation of modern machine tools that are not inferior to imported analogues, 26 samples were developed,

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of which only one sample was high-tech, with numerical control based on imported parts. The results of another 14 presented samples were recognized as unpromising and uncompetitive. On this basis, the Control Directorate concluded that the measures taken by the state to support the domestic machine tool industry did not produce the expected result and transferred the materials to the Prosecutor General's Office of the Russian Federation.

Taking into account the importance of implementing state policy in the area of import independence, fulfilling import substitution plans and programs approved by the government, the Prosecutor General of the Russian Federation Igor Krasnov initiated large-scale inspections of the work of the Ministry of Industry and Trade of Russia, which was responsible for achieving the intended goals in this area. According to the Prosecutor General, the full implementation of the intended plans and programs for import substitution is a "matter of survival" for our country today. Prosecutor's inspections began in three sectors of the economy: machine tool manufacturing, where, according to I. Krasnov, they approached a disastrous result, agricultural machinery, and the production of medical equipment. The government has already noted that from 2nd place in the world in 1990, Russia by 2013 rolled back to 21st place with a production volume of \$0.2 billion, while in China these volumes were \$27.5 billion, and in Germany - \$13.6 billion. The leaders in the production of numerical control for machine tools, which Russia is still practically unable to produce independently, are China, Taiwan and other countries (Kucher E., 2021). According to the Prosecutor General, during the inspection of the Ministry of Industry and Trade, "instances of failure to meet deadlines for the implementation of measures to substituting import components for military products" were revealed, including the electronic component base, as well as subprograms in the field of machine tool manufacturing aimed at restoring the technological independence of defense industry enterprises (Prosecutor General's Office, 2021).

It should be noted here that the Russian leadership has been working on the problems of import substitution with domestic products for several decades, but the results, as statistics and regular inspections show, are still far from the planned goals. Thus, V. Putin, being the head of the government, stated in 2009 that import substitution programs are in effect in many sectors of the real sector of the economy, primarily where Russia has obvious competitive advantages, namely: affordable raw materials, long-standing traditions and experience. The goal of import substitution, according to the national leader, is not to close the domestic market and preserve backwardness, but, on the contrary, to create truly competitive new industries that produce high-quality and popular consumer goods. In 2014, when the collective West responded to the annexation of Crimea with sanctions and a reduction in the export of technologies, components, equipment and other goods to Russia, this contributed to increased attention to the current problems of import substitution in the Russian economy. Thus, on April 15, 2014, the federal government adopted a resolution on the development of industry and increasing its competitiveness. The published document set the task of taking measures to unconditionally implement by 2020 such important subprograms as: "Accelerated Development of the Defense-Industrial Complex", "Heavy Machine Building", "Transport Machine Building", etc. (Resolution (2014). Russian President V. Putin in his Address to the Federal Assembly on December 4, 2014 set the task of stimulating import substitution and promoting the accelerated development of non-resource companies. "The so-called sanctions and external restrictions are an incentive for more effective, accelerated achievement of the set goals," the head of state said in the Kremlin. - We have a lot to do - create new technologies and competitive products, form an additional margin of safety in industry, in the financial system, in the training of modern personnel" (Message of the President (2014). This was a response measure aimed at increasing the sustainability of the Russian economy in the context of an unstable ruble exchange rate and foreign policy sanctions, and at strengthening the country's economic security by reducing dependence on imports. History has confirmed the relevance of implementing these tasks, formulated by the national leader 8 years ago. In pursuance of the instructions of the head of state, the government is developing and approving a number of new industry plans designed to replace imports in the medium term. Particular attention is paid to eliminating imports in strategic sectors of the economy, including the defense industry. Thus, in 2014, the government adopted a program to support investment projects implemented in Russia based on import substitution and the creation of investment products that meet world standards. This program provided for loans on preferential and longterm terms for such sectors of the economy as mechanical engineering, communications and

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telecommunications, energy, as well as the manufacturing industry and chemical production and agriculture. To be included in this program, the declared project had to pass a rigorous selection competition. On May 6, 2015, the Ministry of Industry and Trade of Russia approved 19 import substitution plans for leading industries. The plans included 2,059 projects in such key sectors of the economy as: non-ferrous metallurgy, heavy engineering, shipbuilding, machine tool building, the automotive industry, etc. (The Ministry, 2015). To support these and other industries, the Ministry of Industry and Trade of the Russian Federation developed subsidies that were approved by the relevant Government Resolution. Thus, for heavy engineering, machine tool building and metallurgy, interest rates on loans were subsidized (RF Government Resolution of 21.01.2014 No. 42); the aircraft manufacturing industry was allocated subsidies to reimburse part of the costs of paying interest on loans and paying leasing payments for technical re-equipment (RF Government Resolution of 16.02.2008 No. 91), etc. (Subsidies, 2014). Of course, these and other government measures taken in 2014-2015 and in subsequent years played a positive role in reducing our country's import dependence. Over the period from 2014 to 2022, more than 1.5 thousand projects were implemented in our country to substituting import technologies, goods and components, which were important for increasing the security of the national economy (Mishchenko T., 2022).

All the years since the introduction of mass anti-Russian sanctions by unfriendly states, the president and the government have monitored the implementation of import substitution programs. Particular attention was paid to eliminating dependence on imports in the defense industry complex (DIC). Thus, on September 19, 2019, President V. Putin pointed out the errors in the import substitution plans in the defense industry complex. The president insisted on the unconditional fulfillment of the most important tasks of the state defense order, on which the success of the rearmament of the army and navy depends (Putin, 2019).

On March 27, 2020, the composition of the Government Commission on Import Substitution was approved, which monitored the progress of import substitution and analyzed emerging problems in this area (Order, 2019).

A new stage of import substitution in Russia began after the introduction of new sanctions in connection with the start of a special operation and a sharp reduction in imports with the onset of events in Ukraine. The President and the government have taken additional measures to implement import substitution programs and plans, and approved additional government tasks on import substitution for each type of industry until 2024 and for longer periods.

At the same time, the share of government funding to stimulate the creation of Russian analogues of imported high-tech equipment and components has increased. For the first time in the history of the domestic economy, the government has committed to allocating up to 5 billion rubles for just one project to create highly complex IT programs. And this is not a random measure, but a natural one, caused by extraordinary circumstances. Despite the fact that attempts to develop the domestic IT sector began back in 2010 with the opening of the widely advertised Skolkovo Innovation Center, the level of dependence on imports today reaches 90%. A positive example of getting rid of import dependence in the Russian IT industry can be the activities of the Rostelecom company. Having received additional funding from the state budget for IT programs, this developed domestic company was able to reduce its dependence on imports in a short period of time, both in the field of equipment and software products (Kuznetsov I., 2022).

A huge problem in the IT industry of the Russian economy continues to be the outflow of professional personnel abroad, which negatively affects both import substitution and the digital transformation of the socio-economic development of modern Russia. Foreign giants (Google, Microsoft and others) successfully lure capable Russian "IT specialists" with huge salaries that government agencies and many domestic companies cannot yet provide. Suffice it to say that in the well-known company Microsoft of B. Gates alone, a fifth of all personnel are from Russia (Nitsevich V.F., Moiseev V.V., Stroev V.V., Sudorgin O.A. (2020); Moiseev V.V., 2022).

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Thus, in the new historical conditions, the Russian state is taking a number of adequate measures to reduce the economy's dependence on imports of goods and technologies in order to minimize the damage from Western sanctions and stimulate the development of its own production.

Excessive abundance of imported goods creates the danger of foreign firms conquering the domestic market. The current situation can only be overcome by state support for domestic producers, the use of a flexible system of duties, a state monopoly on the import of imported medicines, alcohol, tobacco, grain, as well as the export of oil and oil products, non-ferrous and rare metals, etc.

In the 90s of the twentieth century, exports consisted of 80-90% raw materials and fuel and raw materials resources. The continuation of this trend today is fraught with the country's excessive dependence on the world market situation and the squandering of irreplaceable raw materials.

What kind of economic security can we talk about in a country from which businessmen withdraw their capital in hundreds of billions of dollars, without investing it in import independence, infrastructure, or the overall socio-economic development of the country. Private capital always reacts sensitively to threats of political and economic instability. Therefore, in the event of capital flight, the country faces three problems: studying the motives for capital flight; developing measures to return the "fugitive" capital; developing measures to prevent further capital flight. The following table, compiled by the authors based on data from the Central Bank of the Russian Federation, shows how difficult the situation is in this area.

Years Capital flight (in billion dollars) 133,7 2008 2009 56,1 2010 33,6 2011 84,2 2012 53,9 59,7 2013 2014 151,5 2015 57,5 2016 15,4 2017 31,3 2018 66,1 2019 26,7 2020 50,4 2021 72,0 2022 243 2023 40,5 Total: 1.119,5

Table 3. Capital Flight From Russia

From the table it follows that in 2008–2022 alone, more than one trillion dollars were taken out of Russia abroad, or more precisely, 1,119.5 trillion. A logical question arises: did government agencies, including the Ministry of Finance, the Central Bank, and financial intelligence, not notice how huge sums, comparable to the budgets of entire regions, were leaking out of the country in the pre-crisis period and directly during the crisis? Moreover, billions of dollars did not stop leaving our country even during the financial crisis, when the state was forced to spend gold and foreign exchange reserves to maintain the national currency exchange rate. For example, in the crisis year of 2008, about 130 billion dollars were withdrawn from Russia under various pretexts, and in the crisis year of 2014, even more - over 150 billion. According to the new forecast of the Central Bank, the outflow of capital in the war year will amount to a huge sum - \$243 billion. This is more than three times more than in 2021. As a result, unemployment has grown, money has depreciated, devalued... Half of the federal budget in 2022 "fled" from the country. The Central Bank employees are sure of this. The fact that in the war year of 2022, more than \$200 billion in capital was taken

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out of Russia, and the government and the Central Bank did not stop the capital from leaving the country at a time when all the not-so-rich people are saving money for warm clothes and drones for our army, and the authorities are saving on pensions and student scholarships, indicates that the robbery of Russia continues without a break for military action.

High corruption, the level of which puts modern Russia in the group of countries of national shame, the transfer of capital abroad in the amount of hundreds of billions of dollars and other factors will not allow the government, according to the authors, to implement plans and programs, and in general state policy in the area of import independence.

## Conclusion

An analysis of Russian scientific literature allows us to make a reasonable conclusion that domestic economists and other specialists, as well as officials, saw the most important (and often the only) condition for the further socio-economic development of the country in solving the problems of import substitution. Some scientists insist that import substitution should not be seen as a panacea for all the troubles associated with Western sanctions, but should be addressed to more global problems of the Russian economy - the implementation of state programs of import independence. Thus, Vice President of the Russian Academy of Sciences, Academician Valery Bondur, said in one of his interviews that import substitution "cannot become a panacea, we must abandon blind copying of imports, and create goods and services of world standard ourselves". As an example, the scientist cited the achievements of cooperation between the Academy of Sciences and the State Atomic Energy Corporation Rosatom: how the implementation of the Breakthrough project made it possible to achieve a new quality of nuclear energy by developing and launching industrial installations of a closed nuclear fuel cycle based on fast neutron reactors. This program does not require import substitution, since it uses only Russian technologies (Bondur V., 2022).

The assurances of the President and the Government of the Russian Federation that all plans and programs for import independence and import substitution will be implemented in the near future, by 2030, are causing discussions. The doubts of experts and specialists in this area are supported by statistical data on the gigantic military budget of recent years, the failure to implement a number of state programs, and high corruption. Thus, the state budget for 2025 and the planning period of 2026-2027 allocates 13.49 trillion rubles for military purposes, or more than a quarter of the country's budget expenditure (Federal Law, 2024). Compared to 2024 (10.8 trillion rubles), the military budget will increase by 25%, compared to 2023 (6.8 trillion) - twice, and compared to the pre-war 2021 (3.5 trillion) - almost 4 times.

In difficult geopolitical conditions, the basis of the state strategy of economic security of Russia should be a development policy based on the principles of import independence, which would take into account strategic priorities, national interests, especially during the period of anti-Russian sanctions and restrictions on trade and bans on the supply of necessary technologies, mechanisms, goods and components to Russia. If market relations with other countries, which were in effect earlier, cannot lead the country out of the crisis today, influence the sanctions, then it is critically important to lay the foundations for getting rid of imports, raising our own production of the necessary products, especially in wartime. Without a significant industrial and scientific-technical rise, getting rid of import dependence, it is impossible to ensure genuine economic security of the state. Without self-sufficient industrial production and development of the agroindustrial complex, it is impossible to solve such economic security problems as improving the quality of life and social protection of the population, reducing the budget deficit, unemployment, inflation, devaluation of the national currency. Therefore, the main goal of the economic strategy today should be to restore economic growth based on innovation and investment. To achieve this goal, it seems necessary to restore effective demand, because it is demand that motivates the manufacturer to improve the quality of its products and expand production volumes. That is, the core of macroeconomic policy should be the creation of favorable conditions for production activities, the creation of a favorable climate for investment and innovation, import substitution and the implementation of the state policy of import independence.

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And for this it is necessary to carry out a whole "package" of measures. In addition to eliminating the abovementioned shortcomings, it is also necessary to establish control over the prices of natural monopolies in order to reduce production costs. Overpricing of electricity, water, and other natural resources significantly reduces the profitability of production, leads to higher prices for products, which, in turn, leads to a decrease in demand for them. It is also necessary to carry out a deep tax reform, which, in particular, should reduce the burden on production. Firstly, it is necessary to reduce the level of tax rates on value added, profit and wages, exempt from taxes that part of the profit that goes to the development of production and the development of new technology, research and development, and replenishment of the working capital of the enterprise. This is necessary, in particular, to increase the demand for scientific and technical developments and the renewal of production. In all developed countries, for example, in Japan, technology has come to the forefront, it is the main object of effort for the state. It is in the development of new technologies that the interests of private business and the state are combined, which has a beneficial effect on the development of the economy and the state of economic security. Secondly, it is necessary to change the customs policy: eliminate all benefits and exceptions for the payment of customs duties, value-added tax and excise taxes on imported goods that Russian industry is capable of producing itself. In my opinion, an exception should be made only for the import of high-tech equipment not produced in Russia and new technologies not used in the country. It is necessary to significantly increase excise taxes on luxury goods. Customs duties on the export of raw materials should be increased, while simultaneously stimulating the export of manufactured goods. Japan and the newly industrialized countries, in order to boost their production, pursued a policy of export-oriented industry using protectionist measures aimed at protecting local producers and at the same time encouraging them to improve production and increase labor productivity. Of course, this is impossible without new technologies. Therefore, for example, Japan spent huge amounts of money on purchasing patented technology and know-how for its industry abroad. Russia needs to protect its agriculture, light and food industries by increasing duties on imported goods from these industries, with the exception of those that we do not produce (for example, tropical fruits). In addition, it is necessary to introduce a system of standards and quality characteristics for imported goods, which, firstly, will serve as a means of limiting imports, and, on the other hand, will improve their quality.

In the financial sector, it is necessary to limit foreign investment in industries and areas of activity that are vulnerable to national security (finance, trade, manufacturing, subsoil use, telecommunications, electric power, etc.).

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