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## ENSURING SOCIAL AND ECONOMIC SECURITY OF SUBJECTS OF NORTH CAUCASUS

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## Abstract

The article analyzes the opportunities for a cooperation of Russia and Western countries under tense international conditions. The article attempts to substantiate the possibility of overcoming confrontations and expand cooperation of Russia and Western countries. The paper shows how sharp contradictions were overcome and mutually beneficial contacts were established in the 1920-1930s during socialist industrialization. In the 1970s, international tension was weakened and economic, political, informational, cultural, scientific, and technical cooperation was expanded. The economic revival of Russia is important for an equal and mutually beneficial partnership. Only an economically powerful country is able to resist Western threats, generate interest in cooperation. Russia has everything to move to the innovation economy and abandon technology and equipment export dependence. Russia has natural, human and research resources which can be a basis for sustainable economic growth. They will help Russia become a leading country, expand equal and mutually beneficial cooperation with Western countries. The Russian economy is integrated with the world one. Therefore, the Western countries continue to cooperate with Russia in scientific and technical areas. Russia and Western countries should cooperate to prevent nuclear wars and international terrorism. The purpose of the article is to substantiate the possibility of overcoming confrontations and expand cooperation of Russia and the West. The principle of historicism, general scientific methods were used to study the nature of relations between Russia and Western countries in different periods of the twentieth century, prove inevitability of the transition from opposition to cooperation with the West.

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Keywords: Confrontation, cooperation, interest, tension, economic power.



### 1. Introduction

The first two decades of the 21st century are characterized by ongoing geopolitical transformations and intensive technological and innovative development. All this is due to the desire to get involved in the sixth technological order. Its core is nano-, bio-, information and communication technologies.

What country or coalition of countries will become a leader?

If we take into account that technological innovations require transformations of socio-political structures, radical changes in public consciousness, systemic changes in ownership, readiness of the entire socio-economic system for fast and high-quality restructuring, the new task is challenging. And the one who copes with it, will be a leader of the world economy.

Rivalry and conflicts between countries are intensifying. They contribute to the militarization of economies, aggravation of global contradictions and military-political tensions.

All this affected the relations between Russia and Western countries. The policies of the latter, especially the United States, aimed at the implementation of the idea of exclusivity and superiority, caused mutual distrust, confrontation.

In order to counter military threats and sanctions and create conditions for cooperation with the West, the most important task is to revive Russian economic power. A technological breakthrough is required. It is necessary to develop an innovative economy to ensure sustainable economic growth, solve social problems and ensure national security.

#### 2. Problem Statement

The article attempts to substantiate the possibility of overcoming confrontations and expand cooperation of Russia and Western countries.

#### 3. Research Questions

To solve this problem, a number of tasks were identified: to explore the historical experience of a mutually beneficial scientific and technical partnership with Western countries during the socialist industrialization of the 1930s; to analyze the experience of transition from opposition to cooperation in the 1970s; to identify causes of exacerbation of relations with the West; to determine conditions for transition from confrontation to cooperation; to justify disadvantages of Western policies aimed at isolating Russia.

#### 4. Purpose of the Study

The purpose of the article is to substantiate the possibility of overcoming confrontations and expand cooperation of Russia and Western countries.

#### 5. Research Methods

The principle of historicism, general scientific methods (analysis and synthesis, induction and deduction) were used to study the nature of relations between Russia and Western countries in different

periods of the twentieth century, generalize world practice and analyze domestic experience, prove inevitability of the transition from opposition to cooperation with the West.

#### 6. Findings

Confrontation between Russia and the West is a common practice in the twentieth century. The countries managed to establish mutually beneficial cooperation, while overcoming rather sharp contradictions.

Historical experience shows that only economically strong Russia can overcome confrontation with Western countries.

Russia has everything for economic recovery, to become a leading country and expand equal and mutually beneficial cooperation with other countries. Moreover, even under the conditions of sanctions, Western countries cooperate with Russia in areas which are beneficial to them.

The policies of Western countries aimed at isolating Russia are not consistent. It is not possible to exclude the economy of Russia integrated with the global one from globalization processes. The West needs to cooperate with Russia in order to combat international terrorism, hunger and poverty, prevent environmental disasters, etc.

#### 7. Conclusion

Under globalization, political, economic, legal, and scientific and technical relations are expanding. Research and development of high-tech production is being internationalized, competition in global investment markets is intensifying. It is impossible to isolate Russia from all business contacts.

Moreover, research projects (the International Space Station, the Large andron Collider, the search for vaccines) cannot be implemented by one country. There is a need for Russia's active participation in international economic, scientific and technical cooperation.

Russia cannot ensure successful solution of sustainable development tasks only through domestic policies. It is important to use various foreign policy methods, i.e. political-diplomatic, economic, informational methods which help implement partnership policies in the form of mutually beneficial and versatile cooperation.

The need to cooperate will strengthen Russia's relations with the West. Only joint efforts can prevent ecological disasters and epidemic diseases, combat hunger and poverty, drug business and terrorism.

The problem of preventing nuclear war whose danger has recently increased, requires much attention. The withdrawal of the USA from the RSDM Treaty could cause the dismantling of the entire system of contractual deterrence of weapons between the East and the West. The propaganda war waged by the West against is a serious concern.

The revival of peace movements uniting different strata and groups of people is significant. It will prevent the strongest powers from trying to reorganize the world in accordance with their own interests, ideas and values.

The use of contradictions between the EU countries and the USA, which were manifested at the 55th Munich Security Conference in February 2019, is justified.

Self-preservation should also have a certain effect, since there will be no winners in a nuclear world war.

Complication of the international situation generated the need for a large-scale strengthening of the defense complex of Russia which contributes to national security and is a driver of the development of all sectors of the economy strengthening the country.

Otherwise, an economically weak state will not be able to resist Western threats and influence the transition to equal and mutually beneficial cooperation.

Confrontation between Russia and the West is common practice. In many cases, it was possible to establish mutually beneficial cooperation and overcome sharp contradictions.

In the 1920-1930s, relations with the Western countries were extremely tense. They were concerned with strong positions of the USSR. Realizing that new factories and technical modernization will strengthen defense capabilities of the USSR and its independence, imperialists tried to slow down socialist industrialization. They tried to isolate the USSR, refused to finance the Soviet state, used provocations, etc. In 1927, England broke diplomatic relations with the USSR.

However, the need to solve own economic problems forced the Western countries to cooperate with the USSR. It was during the Great Depression of 1920-1933. For the West, the USSR was important as a market for industrial products. However, the international situation remained tense. The struggle for markets and spheres of influence was intensified, and contradictions between the capitalist countries themselves were intensified. Many representatives of the reactionary ruling circles of the leading countries sought a way out of the crisis in the war.

An unprecedented slanderous campaign was luanched. Nevertheless, the interest of influential business circles in Soviet orders turned out to be preferable in comparison with the economic war. In addition, the problem of unemployment was solved by sending workers and specialists to the USSR. The Soviet Union managed to purchase equipment for factories, learn advanced technology, production skills and launch industrial production.

From the late 1920s to the mid 1930s, more than 170 technical assistance contracts were concluded with the Western countries: 73 contracts were concluded with German campaigns, 59 - with American ones, and the rest – with French, Swedish and other companies (Shpotov, 2003). The term "technical assistance" was conditional, since the USSR paid with currency derived from exportation of oil, grain, fur, wood, non-ferrous metals.

Siemens, Ford Motor Company, General Electric and other companies took part in socialist industrialization.

European and American companies helped construct Uralmash, Dneproges, Zaporozhstal, Magnitogorsk Metallurgical Plant, Moscow and Gorky Automobile Plants, enterprises of aviation and chemical industries, the military-industrial complex.

Hundreds of European and US companies implemented construction and technological projects, sent specialists to monitor the construction of enterprises and installation of equipment, trained Soviet trainees at their factories.

The participation of foreign workers, technicians and specialists was crucial for socialist industrialization. In the early 1930s, there were about 20 thousand people in the USSR (Pavlova, 2012). The harmonious education system was created in the USSR.

Foreign cooperation helped modernize old enterprises and build new ones. Equipment for factories was imported, foreign specialists were sent to Voronezh, while Voronezh workers were trained abroad (Galkin, 2011).

In the agrarian region with only one large machine-building plant, industrial production increased twice for five years. By the beginning of the 1940s, there were more than one thousand enterprises operated there. The share of industrial products in the total GDP of the region was 62%. The industrial sector was created in Voronezh region. The output volume of products increased by 28 times compared with 1913 (Panova, 2001).

The industry needed qualified workers, engineers. Their shortage was more than 34%. The shortage of technicians was about 60%. The situation was changing rapidly. By the beginning of the 1940s, there were 12 universities and 63 technical schools training 30 thousand students. In addition, workers were trained at enterprises, in factory apprenticeship schools, etc. (Galkin, 2002).

Since 1933, the use of technical assistance from the West began to decline. It was due to the success of industrialization. Its further implementation was already an internal process focused on the development of available production capacities and reconstruction of old enterprises.

An increased level of technical equipment of the factories, trained scientific and technical personnel, scientific organization of labor made it possible to cope with any difficult tasks.

Of course, the Soviet people played a decisive role in the socialist industrialization. However, technical cooperation with Western countries helped accelerate the process of industrialization, implement iadvanced technology.

The USSR turned into an industrial country. By the industrial output, it ranked 1st in Europe and 2nd in the world. A number of new industries were created: aviation, automotive, petrochemical ones. Imports of agricultural machinery and ferrous metals decreased. A material base for technical reconstruction of all sectors of the national economy was created. In the 1930s, the industrial production grew by 10-15%.

One more example of cooperation can be found in the 1970s. The easing of tension was one of the achievements of Soviet foreign policies in the long struggle for peace in the postwar period. World capitalism experiencing difficulties of economic crises of 1971 and 1974-1975 and rebuilding its economy, realizing strategic parity of the USSR and the NATO, a balance of power between two systems was forced to stabilize the political situation in Europe. In August 1975, the leaders of 33 states of Europe, the USA and Canada signed the Final Act of the Meeting in Helsinki.

The easing of tension contributed to the peaceful coexistence of the countries with different political systems, cooperation, exchange of information, cultural and scientific achievements.

The USSR and France signed agreements on cooperation in economics, exploration of outer space for peaceful purposes. Relations between the Soviet Union and Germany were normalized. There were trade relations with Italy. The agreement on long-term cooperation in the construction of industrial facilities was signed with Great Britain. The Soviet-Japanese agreement provided for Japan to participate in the

development of the South Yakut coal basin. A number of important Soviet-American agreements on nuclear war prevention and nuclear weapons limitation were signed.

However, the easing of tension failed due to the economic lag of the USSR which became apparent in the 1980s. The trend towards turning Russia into a supplier of raw materials became evident. The decline in oil prices, transition of the West to a new energy-saving technological level weakened the interest of Western countries in economic cooperation with the USSR (Bystrova, 2004).

Moreover, the USSR was involved in the arms race which weakened the Soviet economy and strengthened the military industry.

The nuclear war between the USSR and the USA was still unreal and impossible. But economically, the West turned out to be stronger and more stable. Its attitude towards the USSR was of dictatorial nature.

Only economically strong Russia can consolidate its position in the international arena, overcome the confrontation with Western countries. It is necessary to move to the innovation economy, implement the sixth technological order and reduce technology and equipment export dependence.

The state can ensure sustainable development using its own material technical base. It is necessary to use internal reserves.

However, Russia focuses on imports. The share of imports in the electronic industry is 80-90%; and in the machine tool industry, it is more than 90%. According to experts, it will take 20 years for full import substitution (Katz, 2015). All innovative areas are behind the advanced level. The Russian Federation ranks 124th by available technologies, and 126th – by implementation of these technologies. The Russian share in the structure of the world market of high-tech products is only 0.4%. The degree of innovation activity of enterprises is only 10% (for comparison, in the EU countries, this indicator exceeds 50%) (Terebova, 2017).

In the Western countries, innovation activities are crucial (Hanel, 2007). Scientists analyze the results of innovation policies (Castells, 2002), develop concepts of national innovation systems (Nelson, 2000), and identify priority areas (Freeman & Louca, 2002). Businesses implement the latest scientific and technical achievements into production.

Weak innovation activity cause problems of GDP formation, implementation of social programs. By the GDP, Russia ranks 11th, and by its share per capita, it ranks 87th. In absolute terms, this level is about 10 thousand dollars in the Russian Federation, about 60 thousand dollars in the United States, and about 45 thousand dollars in Germany and the United Kingdom (GtMarket, 2019).

Russia has everything to improve the situation: natural resources, human resources, scientific potential. The aerospace, energy, construction materials, chemical, and biotechnology industries have competitive advantages.

The GDP has been growing for the last two years: in 2017 - by 1.5%, and in 2018 - by 2.3%. The inflation rate has been reduced; investing in production is growing, there is a positive trade balance; the digital economy is contributing to GDP, and the export of IT technologies has increased. In addition, Russia is a leader in production of nuclear peaceful technologies, in the rocket-space and defense sectors.

All this can serve as a basis for sustainable economic growth and expansion of cooperation with Western countries which continue to cooperate with Russia despite sanctions.

A good example is the construction of Nord Flow-2.

The German car company Daimler is building an assembly plant in Moscow Region. And the largest automaker Volkswagen prolonged the contract with the Russian partners.

The predominant interests of the French oil giant Total are also located in Russia, including its flagship liquefied natural gas export project.

The United States continue to cooperate with Russia in the field of aviation, engineering, space (the launches of American satellites with the help of Russian missiles, the supply of Russian engines RD-180, 181 for Atlas missiles, joint operations of the ISS (Dushkova, 2017).

The total volume of trade with the European countries increased by 17.9%, with the US – by 12.5%. Investment of Germany, France and the USA in the economy of the Russian Federation increased. By the World Bank index for 2018, Russia ranks 35th (Andrea, 2018).

Western companies find it beneficial to cooperate with Russia. Despite the sanctions, they try to expand contacts in profitable areas. It is important to use this interest to overcome hostile sentiments. Economic rationalism will prevail over senseless Russophobic attacks.

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