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PUBLIC INVESTMENT STRATEGY: IMPLEMENTATION OF SYSTEM ASPECTS

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Abstract. The article discusses the reasons for the economic decline in Russia, accruing systemic entropy, threats and risks in the implementation of the investment policy of the state. The author suggests possible avenues of exit from a crisis situation

Keywords: public investment policy, entropy, managing chaos in the economy, systems approach, modernization.

INTRODUCTION

The emergence of crises in the economy is associated with insoluble contradictions that have accumulated in the world and national economy, which are philosophical, civilizational and social characteristic. The crisis is almost always associated with the transition from one state of the system to another. In the field of civilization, the changes fall onto soft values, elitogenesis, nationhood; in the field of philosophy the transformation of quantity into quality alterations takes place; the economy is going through the transformation of one formation into another; the society and social medium have the supersession of worldview and axiological (paradigm, family, traditions, ethics) customs, which are pivotal for the perception and everyday life of human beings (culture, education, upbringing, science, demography, healthcare).

BACKGROUND AND HYPOTHESES

Economic studies the problem of ensuring reproduction processes in the economy through the implementation of investment policy and its mechanisms have shown that today there is no single universal mechanism for its effective implementation. It is considered, that the causes of crisis phenomena in the investment sphere lie in the sphere of the cyclical nature of the

economy, its administrative, legislative or institutional and economic regulation.

At the same time, characterizing the state of scientific elaboration of the problem of implementing investment policy in the system aspect, it should be considered in line with such scientific areas as the theory of the cyclical nature of the economy (Tugan-Baranovsky M.I., Kondratiev N.D., Kuznets S.S., Keynes J. M.), a systematic approach to the description of processes occurring at the macro and microeconomic level of management (Bogdanov A.A., Kleiner B.G., Polterovich V.) the entropy approach of economic financial and budgetary cycles (Slutsky E.E., Phrigoghin I., Prangishvili I., Rogoff K., Obstfeld M.) approach from the standpoint of economic growth (Bazarov V.A., Domar E., Harrod G., Ramsay F., Neumann J. Von, Rostow W., Glazyev S.Y.)

DISCUSSION

The transformation of social, political and economic relations that can be traced as the dominant sectors of social production change – agricultural, industrial, financial, digital – gives ground for a hypothesis about the formation of entropy (chaos) when moving from one sector to another. The explanation of this process is given on the basis of the expert approaches that have now been established in studying the causes of crises, which may be cyclical, stochastic, or controllable [1, p.134-188], [7, p.15-31]. We

distinguish two directions for the occurrence of such crises along the lines. First, the global economic direction is determined, in our opinion, by a combination of factors, among which are the following. The first factor is global competition. This period is characterized by a change in the balance of power in the world economy, the spread of new technologies (information, nano- and biotechnology). The Russian economy, due to its weak strong dependence on fluctuations in the global hydrocarbon and raw material markets, speculative capital markets, low innovation and resource efficiency, was unable to take advantage of global competition, and therefore not able to respond quickly to changes in the external environment.

The second factor is the use of sources of export-raw material type of development based on fuel and raw materials exports and the release of goods for domestic consumption due to the additional loading of production capacities under conditions of an undervalued exchange rate of the ruble. The third factor is connected with the tendencies in the reduction of state activity and the departure of the state from regulatory issues, as well as the creation of quasi-market institutions that demonstrate trends of economic backwardness, but not development. As they say in such cases - the cemetery also grows, but does not develop. It is obvious that the basic geo-investment strategy of the new millennium is the redistribution of world resources and the generation of a new world order in the interests of one or several states, which carries with it a different kind of entropy (elements of chaos). There will never be a fair economic equilibrium here, as confirmed by equilibrium studies in the distribution of resources [2, p.31, 34].

A feature of the modern world culture is the financial sector, which is currently developing autonomously in the third sector, public administration and non-commercial financing, pumping resources, labor, financial and temporary from the industrial and agricultural sectors. For the Russian economy, which operates in conditions of low investment demand, the unfavorable financial and economic condition of the industrial sector, cuts in state financing for the social sector, construction, and the agro-

industrial complex of the country, the current systemic tasks are becoming - ensuring the efficient use of public investment, efficient management of equity stakes of the state.

In this regard, there is no way to avoid noticing a number of assumptions and hypotheses, among which one can single out a macroeconomic hypothesis. It is related to performance, savings rate and interest rate. That is, the assumption that a country will more easily transfer a period of entropy (chaos), if it has a high rate of savings and a stock of capital, which will stimulate factor productivity there is a place to be. Under the cumulative factor productivity, we will understand the release for 1 hour of work. An example is post-war Japan, in which the savings rate was higher than in the USA. Productivity growth in Japan's industrial sector helped strengthen the yen in the postwar period. According to the world institute of companies McKinsey (1993), labor productivity in Japan in the automotive sector was 16% higher than in the corresponding US industry.

In this situation, there is an increase in output due to additional capital, which stimulates other factors at a constant and, accordingly, increases output per hour of operation - this is for the manufacturing (traded sector). In our opinion, and according to scientists, macroeconomic regulation, structural and trade policies affect the transition from one phase of development to another also [2, p.271-283]. High labor productivity is associated with high wages in the industrial sector. Labor potential in Russia is used in reproduction processes with an unprecedentedly low efficiency. This is a strategic problem that requires the priority attention of the state. World experience confirms that public and private capital will not invest money in scientific and technical progress in conditions where low-paid labor can be used. The second direction is system-political character. According to this version, the crisis is caused by the gradual loss of the fundamental properties of the system - adaptability and sustainability. The effect of a loss of adaptability is a breakdown of feedback in decision making. As for the sustainability of management, it is based on a broad public consensus in the choice

of goals, ways and means of modernizing society, on adapting to the changing external and internal conditions of the state's development.

The investment process depends on financial and economic stability. One of the manifestations of such is the stability of the national currency. As a whole the stability of the national currency depends on a number of factors, including the policy of the Reserve Funds. An important part of the system of strengthening the currency is financial and credit discipline. The exchange rate, if considered as a source of economic growth, should become a valuable currency for savings and savings. The investment policy is interconnected with the state financial policy. It manifests itself in the system of forms and methods of mobilization of financial resources, their distribution between social groups of the population, sectors of activity and regions of the country, in financial legislation in the structure of revenues and expenditures of the state budget.

Over the course of an effective financial policy, state investments should be made in key sectors of the economy and measures should be taken to attract capital from domestic and foreign private investors, as well as loans from international monetary and financial organizations. It can be argued that the main participants of the investment activity (process) in any country are: the state and economic entities (legal entities and individuals), and each of them can participate in the investment process, both on the demand side and on the supply side investment resources.

The main objectives of state regulation in the field of formation of effective demand on the course of investment development (security) can be as follows:

- reorientation of production to domestic demand and a reduction in the share of imports in its structure;
- maintaining a stable level of social spending, since it is they that largely form massive demand;
- wage reform, which should ensure the growth of its real content, covering the expenses of the population of housing and communal services and the social sphere;

- tax reform, which should play a stimulating role, but not just fiscal;
- go upping savings and per capita incomes.

FINDINGS

The high degree of entropy (chaos) and risk at the state level when making investment decisions on the choice of mechanisms and tools determined the general mainstream of economics based on Western economic theory. Developing and regional powers have been proposed, or rather imposed, "their own economic models and the mao-regulators inherent in them," including the liberal model, which is the essence of the monetary model. The countries implementing these models are Latin America, Central Eastern Europe, have high rates of inflation, unemployment, low per capita incomes, and low economic growth. Such models are based on scientific paradigms in order to more effectively manage the world consciousness of the satellite states, such as "information economy", "new economy", "economy of happiness"[3].

What is the way out for Russia? The "strategic response of Russia" can be a doctrinal management model based on the following principles:

- holism (integrity) worldview, formed in society;
- the new architecture of cybernetics of public administration, territorial administration, population management.

The theory of chaos is very interesting and has a very wide range of applications: from the "theory of controlled chaos" in the political sphere to the theory of chaos in complex dynamic systems, which include the state economy. In particular, according to I. Prigoghin: "... the accumulation of nonlinearity creates not only chaos, but also the order from the chaos of elementary processes, and in other circumstances leads to the destruction of the same order and ultimately to the emergence of a new coherence another bifurcation "[4].

Other views reflect a kind of existentialism in the approaches to identify and eliminate entropy (chaos) in dynamic systems, to

which we can include both the whole state, the economy of a particular country, and the microeconomic system-enterprise (Bogdanov A., Slutsky E.E., Kleiner G. B., Polterovich V. M., Buzgalin A. V., Sulakshin S. S.).

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