

How to formulate and execute policies that will ensure economic development on their own.

Associate Professor Dr. Shinasak Suwan-achariya

chinasak2000@gmail.com

*Lecturer Department of Economics .Faculty of Economics and Business Administration, Thaksin University
(Songkhla, Thailand)*

ABSTRACT

Russia's economic growth model has transitioned from a monetary liberal model to a greater emphasis on domestic consumption and the substitution of imported products and services. This shift occurred because Russia overestimated its dependence on foreign capital markets and the relatively small potential size of its GDP compared to Western scenarios. The new model is designed to address the structural imbalance between production and consumption, with a focus on high-tech companies and the establishment of self-accessible industrial infrastructure. This approach guarantees economic growth independently, regardless of external factors, thanks to the utilization of local labor and capital. The demand for a more streamlined economic system and the ineffective payment system in the United States further accelerated the change.

KEYWORDS: liberal development model of financial globalization, economic self-guarantee, geopolitical factors, inappropriate use of strategic assets

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Introduction. Before the crisis in Ukraine, the Russian economic growth strategy was consistently reliant on global basic supplies. Russia lacks a domestic industry to meet the population's needs, leading to a high dependency on imported consumer products. Meanwhile, Russia exports several natural resources like gas, oil, grain, and metal ores. The Russian economy heavily relies on exporting raw resources because of its shift towards purchasing rather than creating and focusing on its major strengths without governmental interference in the market. Contingent upon global market conditions, economic growth is expected to have continued to decelerate in the latter part of 2008. In the next few years, the growth rate is expected to diminish and fall below the average growth rate of the global economy, as predicted by several projections. An average growth rate of 1 percent is considered little economic growth and is primarily focused on expanding the raw material base within a constrained budget. 50% of the income is derived from oil and gas. In 2014, the economic development paradigm, which had been through a significant economic downturn, began to show clear limitations and could no longer guarantee high economic growth rates and real earnings for the populace. Europe is reducing its reliance on Russian gas by constructing LNG facilities. This will result in a decrease in income for Russia's budget. If the Russian economy's development is contingent on a yearly rise in global oil prices of \$20–\$30, it seems improbable that such oil prices will occur soon. The EU's economic well-being relies on affordable energy from Russia and entry into the Chinese market (Rossiya pobedit, 2023).

With less than 20% of Europe's manufacturing capital concentrated, the rest is flooding into the bubble, leading to fierce rivalry in sales markets and between various companies. To a greater degree, consumerism, and credit have taken over Western economies, and the paradigm for economic growth in the West is built on the unchecked printing of money, which has led to massive national indebtedness. Since private domestic demand accounts for 70–80% of GDP, this mechanism eventually stops working with rising inflation, which significantly lowers living standards. Abzats (2022) Resulting in a sharp decline in GDP and perpetuating a vicious cycle of restrictive monetary policy. When compared, Russia's debt-to-GDP ratio is 17.8%. With 128%, the US is second only to Japan with 266%. The United States and Europe are not seeing the emergence of a new middle class with actual buying power as the high-tech industrial industry migrates to other nations. Western economies are experiencing several problems as a result of this tendency. There will be a dramatic buildup of debt in the energy, food, transportation, and currency sectors, leading to the greatest financial catastrophe in a century. (Destroying faith in currencies used as reserves.) A "perfect storm," a rare occurrence of many unfavourable elements that have an unfavourable effect, is now raging across the globe. Negatives as a whole rose sharply (Spydell, 2022).

As a weak link in the geopolitical chain that the West uses to control resources, Russia has become a major geopolitical target for the US and Western powers. Russia's economic development has been stagnant and wasteful because it relies on export-oriented commodity growth models. Because of this, the

country's economy becomes even less stable. The precipitous decline in industrial production and Russia's heavy reliance on imported capital, technology, and consumer products have placed the country's economic stability in jeopardy. Since 2014, Western nations have begun making plans for hybrid warfare. After annexing the Crimean Peninsula, Russia started to rely on import substitution as a means of avoiding sanctions. There has been some fascinating growth in the agriculture industry. Several legislative shifts and economic developments have contributed to agriculture's recent boom (Nefedova, 2022). So, Russia can take advantage of all this without having to wait for the world economy to revive or for an investment environment to be created, all thanks to this global economic model. Russia must choose an economic development model that ensures its growth, independent of geopolitical considerations. The country must also take the necessary actions and make the necessary choices to adapt its economy as fast as possible to meet its set objectives.

Study objective

1. How to leave the liberal development model of financial globalization.
2. Procedures and techniques for implementing new types of development

Literatures review. The quest for an economic development model will begin only if the conventional economic growth model is unable to ensure economic progress. If it does not shift to a new format, important indications of the final output will increase. Examples include gross domestic product (GDP), national income (NI), and per capita consumption. Economic progress after the Cold War is directly dependent on the exploitation of geopolitical assets. Adam Smith, an economist, believes that the only more effective technique for economic growth is to increase labor productivity via the introduction of the social division of labor and the market. The division of labor is therefore more significant than the market. Because it will become obvious in the future why the implementation of market procedures in other nations has not resulted in increased prosperity and well-being (Smith, 1776).

However, the integration of these nations into the global system of division of labor and market connections created by Western countries has resulted in the accumulation of high value-added production in these Western countries, rendering other countries reliant upon them. Western investment and borrowing The economic development model is seen as a geopolitical instrument for controlling emerging nations that need to build sectors based on unequal trade and forbids extortionate interactions. If resources are not supplied to developed nations, they will be denied access to industrial technologies.

The economic development model of the list Primarily prioritize the national economy's interests via a concentration on investing in the industrial sector. To foster industry growth, implementing rules is essential to safeguard against foreign competition that might potentially harm the sector. If the industry possesses resilience and is capable of competing with other nations, It is important to centralize economic activity under government control to develop national industry, ultimately improving living standards via the national political economy. Government authorities therefore implemented obligations to safeguard sophisticated industries. Certain items are not allowed to be imported. Some individuals promote piracy to hinder shipments and harm even the biggest manufacturers.

Marx's economic development model is based on the assumption of social reproduction, which Marx defines as value represented like the equilibrium micro-economy. These equalities' economic circumstances are simple reproduction for worker subsistence and capitalist consumption. This is the equilibrium point for simple reproduction. The extra value gained in the first part is used to purchase consumer products in the second part, so the expended production tools are returned to the same extent as before, at the same level of value. It indicates that the aggregate of capital production expenses can only be sustained if there is a clear quantitative link between the two branches of production. (Marx,1959) However, there is a shrinking profit margin. Even when output is perfectly proportionate, the fact that capital increases faster

Rosa Luxemburg's model is based on Marx's concept of reproduction, and capitalism follows the model of reproduction. If surplus value is generated and there is more capital accumulation, capitalism. It is vital to address the marginalized sectors of capitalism, as well as the labor reliance of pre-capitalist areas, in order to preserve the labor supply. Capital accumulation occurs only in connection with pre-capitalist modes of production. The same is true in settings where capital accumulation occurs in a continual interchange of matter with these forms, which may persist for as long as one observes such an environment(Luxemburg,2003) .The colonial divides of industrialized nations were one of the mechanisms that facilitated the replication of capitalism.

Kondratiev's model, or "long wave" hypothesis of market economic growth. Countries with developing market economies often experience periods of economic boom and collapse. This establishes a typical cycle that occurs every 40 to 60 years. Kondratiev's discovery demonstrates that time is an independent and essential economic category that must be considered while governing the economies of various nations. Large-scale cycles will result from breakthroughs in the industrial sector and upward mobility. It is often followed by several wars and other forms of political instability, including revolutions. The underlying material foundation of "long waves" is the replenishment of ultra-long-lasting manufacturing infrastructure and equipment, such as railways, bridges, canals, and dams.

The armed forces: In economic policy, the Keynesian model of development refers to the anti-crisis macroeconomic strategy of a state that aims to increase aggregate demand by significantly boosting military expenditure. The state allocates funds to the construction of military manufacturing facilities, as well as to a variety of other expenditures. Whether it is connected to the military, this leads to an increase in the amount of money that is available for the people and civilian manufacturing. Following the receipt of further orders

from the government, the economy will begin to recover and continue to expand. Using geopolitics to control the price of vital commodities on the global market by using U.S. dollars for transactions rather than depending on gold reserves is the concept that is referred to as Reaganomics. To stimulate public consumption, the government should be granted the authority to inject an infinite amount of money into the economy. This would enable the government to develop the economy, acquire resources, and buy other items from any nation in the world, even if the production base is not expanded. The United States of America can afford consumption, and it has done so for a significant amount of time (nine years), despite enormous budget deficits, which are often seen as the source of the neoliberal growth model .

The model of economic progress based on neoliberalism posits that the central banks of various nations are responsible for supplying the economy with the necessary amount of money. This amount should expand annually, slightly above the growth rate of the GDP, which is between 3 and 4 percent. The maintenance of this equilibrium is crucial to averting crises. To ensure that inflationary expectations are avoided and economic growth is achieved, there should be an establishment of a transparent and foreseeable mechanism for the regulation of the money supply. According to this viewpoint, the government should not possess any authority to control the economy. Instead, the state ought to forego the use of fiscal means to boost the economy and rely only on monetary means. To expand or shrink the availability of credit by the changes in the money supply entering the economy, the growth of the GDP should be somewhat quicker than the money supply entering the economy. The development model is based on the quantity theory of money, which establishes a strong link between prices and the amount of money in circulation. Therefore, according to this particular rationale, the extra money supply is the root cause of inflation.

It is clear that economic growth models disclose new components in the systematic conflicts of geopolitical and geoeconomic space, particularly post-Reaganomics, as the new order emerges. It is based on the categorization of individuals inside nations in the global economy, rather than comprehending broad economic theories such as Cobb-Douglas' production function analysis (Usim& Filippov,2018) or the assumption that innovation drives economic progress. The Solow model includes conditions for total market competition. It depicts how three major elements influence output growth. in particular, savings amounts, demographic shifts, and technological development. In order for the economy to be in a state of equilibrium, according to Solow's model, aggregate demand and supply must be equal (Solow ,1956). When the economy expands but labor and capital stay the same, Solow's model of development fails to account for other elements like growth. This strategy is beneficial for emerging countries because it encourages human capital development, institutional reform, economic stimulus from central banks, and, most importantly, the use of geopolitics as a tool to build national wealth. However, the unipolar international system has ensured that Western governing elites have not responded positively to it, ensuring it is aware of its geopolitical and economic interests.

Methodology.

1. Apply the ideas of dialectical development theory to analyze the functioning of the international economic system. Predictions of economics may be established by analysing past developments and current tendencies in the realm of the humanities (Platonova ,2006). The evolution of the dialectical law of world states is based on standards of behavior as a criterion of truth and subject consideration, rather than as a tool to reassess its position in the global economy and provide guidelines for creating a world with several terminals(Rgru,2014). An in-depth analysis of the economic model of Russian growth in the post-Soviet period is essential for achieving the stated geopolitical objectives. This method benefits nations that seek to achieve independent development, fully realize their economic and geopolitical goals, secure stable lives, and assert their sovereignty.

2. Use procedures based on the requirements of the National Economic Policy that does not need economic theory. This is because the technique gives criteria and a set of instruments for preserving the country's economic sovereignty and ensuring economic stability in production sectors and areas of international economic policy. To accomplish the aim, mechanisms to drive economic and social policies in the nation are more essential than macroeconomic theory principles, which secure the country's long-term prosperity and political stability.

Results .

1 .How to leave the liberal development model of financial globalization.

Russia, a nation with great potential and resources, finds itself on the periphery of capitalism. Neoliberal economic growth has failed to provide optimism and prosperity for the Russian economy. If they allow their own economy to expand freely and improve their living standards, The Russian economy has to break free from neoliberal development ideology by proposing the following economic development ideas.

Table 1. *Contrasts neoliberal financial practices with the self-guaranteed economy.*

Parameters	The new financial liberal approach	Guidelines for Economic Self-Guarantee
market demand	Demand is driven by Western foreign investment and imported commodities.	Domestic demand generation substitutes investment and importation of commodities from Western firms.
Rise in product prices	The current inflation is not a result of increased demand but rather of central bank QE, which raises prices as a result of geopolitical factors like divided geopolitical landscapes and	Inflation is not just related to money. The solution to the issue does not rest with the central bank, which is in charge of monetary policy. It may benefit manufacturers by reducing lending rates

	<p>rising food and raw material costs. Harvesting issues and supply chain interruptions have driven up the cost of raw materials.</p>	<p>specifically for the industrial sector. Interest rates are not contingent on inflation. It is essential to adjust the loan costs by expanding and reducing them without worrying about increasing inflation. It pertains to the correlation between the money supply's growth rate and consumer inflation. Furthermore, it contradicts national objectives and obstructs the increase of credit resources to mitigate inflation.</p>
Responsibilities of the central bank	<p>Central banks are tasked with ensuring low inflation and discouraging industrial investment.</p>	<p>The central bank encourages industrial investment and offers cheap borrowing rates to Solving the dilemma of self-access to technology and national economic demand</p>
Inflation rate	<p>Low inflation promotes market equilibrium, serving as a credible signal for investors and international rating agencies.</p>	<p>Economic development needs significant inflation and money invested in the producing sector's underlying capital rather than entering the market.</p>
Money supply on the market	<p>In accordance with the inflation goal framework, it is feasible to raise the money supply in the market.</p>	<p>It is dependent on a stable supply chain and industrial infrastructure.</p>
Economic Growth Rate	<p>The outcome is contingent on the global market conditions, particularly the economic status of the leading world power and its team.</p>	<p>Capable of ensuring its own expansion, regardless of worldwide market circumstances.</p>
Market Environment	<p>The state does not intervene in the market, allowing the economic mechanism to work freely, because the invisible hand of the market will cope with this better and will control the entire process itself. The private sector is the decision maker.</p>	<p>The state must intervene in the market because the economy lacks investment and lacks access to technology. The state is in the position of purchaser of essential industrial products.</p>

Conditions for printing money in the market.	There must be enough levels of gold and foreign currency reserves. (Gold and foreign currency reserves)	Depending on the need to purchase international goods and invest in the production sector, it will bring wealth and stability to the national economy.
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Noted. Summarized by the author

Russia’s economy has grown at an average rate of 1 percent over the last two decades, indicating that not only has there been no progress in economic development, but there has also been no increase in citizens’ incomes, which have fallen since the implementation of the inflation targeting policy, as a result of the central bank’s policy of failing to accurately assess the amount of capital that the Russian economy requires. Many, unlike the US and EU economies, are freely accessible and over-invested, with the US being able to create an endless number of dollars without concern of inflation (Riamo,2023) Opposing inflation to the detriment of the local economy, the country’s economy is mostly driven by the demand for raw commodities in international markets, and foreign investment is misled by the effectiveness of macroeconomic policies. The issues inside the nation’s financial sector threaten economic stability. The absence of a well-rounded economic development model that ensures both economic growth and financial stability at the same time is a significant risk to the national economy. Businesses are compelled to look for external sources of capital. Foreign lenders now dominate as the primary source of the money supply.

According to this idea, the new industry should be included in a categorization of all Russian economic activity. This is important for different industrial organizations to get funding from the state. Achieving the aim of guaranteeing technical sovereignty requires contemporary solutions to support the growing positive trends in economic growth. Monetary policy, primarily based on the supply of this work by the financial and economic groups, may promote the mechanism of domestic money accumulation, which impacts not only the development of banks’ financial resources and lending to businesses. However, it also causes a rise in domestic demand. The economy’s growth is determined by the increase of the real money supply, or how much money appears in the system. The rise will only accelerate, according to statistics on the expansion of the money supply. It computes GDP growth using coefficients. This mechanism has the potential to enhance living conditions. Government demand will stimulate growth in the real sector of the domestic economy. In reality, this does not occur, even with the implementation of an exhaustive set of regulatory actions. If the nation lacks a domestic production facility, prohibiting government entities from buying imported items is ineffective. The concept is to alter the vector from the market trajectory to the intended trajectory. Within the parameters of this approach, Russia’s objective is for the government to provide resources so that manufacturing may begin. Scientific and technical initiatives that private firms lack the means or inclination to undertake There is little regard for the market’s consistent pricing, high expenses, poor returns, and the significant danger of being replaced by adopting it. Purchasing pre-made things immediately is more cost-effective (Byl’ kak nebylitsa: interesnyye stranitsy istori, 2022). As a result, money goes to offshore businesses, causing the economy to collapse. Without governmental intervention, it

is very difficult to enter a market, even domestically, because of the lack of access to technology. They do not have the assurance of enduring low interest rates to encourage investment, despite their superior alignment with the national interest compared to investing in U.S. bonds. The concept of economic growth based on raw materials makes no contribution whatsoever to the development of the nation. There is a lack of motivation to enhance output, improve scientific efficiency, or implement innovations. Earning money to purchase oil and gas, allocating a portion for budget needs, and investing another portion in foreign accounts is a straightforward process. This economic paradigm is inadequate for developing a national economy.

Table 2. *Contrasts future development perspectives.*

Parameters	Economic Development Concept	Geopolitical factors
The configuration of the reproduction	It is possible to create a global system of free commerce in which weaker nations' resources are controlled via geopolitics. In a world with one dominant economic power and entrepreneurs who care just about earning money and no one to look out for the country's best interests, the state must cut down on its own economic decision-making.	Promoting economic growth via autonomous trade transactions Financial, investment, and other arrangements based on the country's friendly or hostile production zone divide.
Embracing modernism	Economic growth must follow the processes of modernization from underdeveloped to developed countries.	Abandon the concept of achieving progress via the implementation of economic policy that is autonomous and sovereign.
Factors influencing capital accumulation and economic growth:	Expanding capital out of the nation and capturing new territories via the division of labour in a global trading system based on powerful institutions, a favourable investment climate, and free elections. Fair trial, asset protection, and economic circumstances for the hegemon and his crew.	The production zone's resource base, population, transportation routes, labor division, and transportation systems, as well as the proper financial, credit, and investment policies that support the industry, all contribute to the stability of the surrounding economy. Stimulate domestic demand.

Economic growth indicators	Overview of GDP(PPT)	Coverage for life’s essentials Life necessities include sustenance, hydration, shelter, power, and precaution. The availability of healthcare and other essential infrastructure (such as schools, roads, and workplaces)
Tools for Exchange	Transactions involving dollars and bonds are conducted over the SWIFT network.	outside of the USD zone (locally agreed-upon currency) Stay away from SWIFT
Market operation mechanism	The market dominance of multinational corporations (monopolies) is a determining factor. In reality, all they desire is for the market to be opened freely.	Defence, aircraft, shipbuilding, and engine-building enterprises that are vital to the nation’s economy should be returned to state control, including their production chains. Establishment of state organizations and establishment of businesses under state directives(Ruka Kremlya ,2023).
Prospects for the format	Consuming the economies of satellite nations (teams) in order to establish their businesses under circumstances that are favourable for investment.	“Restoring moral values in order to strengthen the state, economic growth, and guarantees” in the social sphere will be accomplished(Putin ,2002;2004).

Noted. Summarized by the author

It is clear that the most recent economic development model in the midst of global geopolitical shift is built on the contradiction of developing economic models in current geopolitical and economic spaces. This has resulted in a shift in the theoretical and methodological underpinnings of economic thought: the functional methodological notions that were previously employed to explain the evolution of the market economy and liberal globalization have lost their relevance and cannot be applied. It may be utilized to boost the national economy since it is an example of an open economy, functioning as a contrast to domestically regulated or structured economic systems. Analyzing the dilemma of deciding between economic stability and openness takes place in this setting. Reproduction of products is hindered by the national economy’s free market model, which is at odds with society’s fundamental objectives. As a result, the development model

differs from the original because it is not reliant on requirements and circumstances from outside. The way economic policy is strategically applied dictates how it will evolve. The domestic economy needs to react to the state of the market as well. It also generates a demand for itself, however. We are discussing the shift to a new degree of qualitative development, namely the emergence of a sovereign economy that reacts to demand and market circumstances. However, it also produces this thing (Abzats, 2022). In light of the shifting geopolitical environment, the new development model has reevaluated its place in the world economy to better suit Russia's economic and geopolitical objectives. The supply economy may become more of a focus for Russia's economy. The focus is on creating an independent economy that can adapt to changing market conditions. But it also independently creates demand. Supply-side economics focuses on boosting industrial capacity, enhancing the educational infrastructure, and using contemporary technologies. Nations with scientific potential concentrate on building advanced industrial skills through the establishment of new industries and employment in regions with high development potential. The growth of the domestic market is essential to the Russian economy. For both products and services, domestic manufacturing will take precedence over imports. As the size of the housing market grows, these changes will also affect living quality, which will begin to climb. Local goods will be strongly preferred by the populace over imports, and their independence won't be jeopardized by a reduced reliance on Western nations.

2. Procedures and techniques for implementing new types of development.

Changing the new model of economic growth to align with one's geopolitical objectives has the following effects.

Table 3. *Contrasts different viewpoints on the effects of sanctions on the Russian economy.*

Parameters	Russian viewpoint.	American and team viewpoint
Position	Production capacity is increasing quickly because of the industrial sector's rapid expansion. Set up a new manufacturing line using raw materials, research and technology equipment, skilled workers, and suitable places. It has already been introduced as an industrial mortgage tool (Ren TV, 2022). Confiscating assets in Russian accounts undermines the trustworthiness of Western currencies.	Since the West imposed price ceilings and suspended gold reserves in Western accounts, the petrol station economy was unable to self-insure and had to rely on income from exports of basic materials.
Affordability	Creating domestic supply to replace the retreat of Western firms produces jobs.	The Russian economy's lack of Western technology and capital results in shortages of products and

		unemployment, sparking riots across the nation.
Income Determinants	The economy can insure itself independently, therefore reducing its need for money from outside sources.	With a GDP of just 2% of the global total, a boycott would drive the currency to collapse and the political system to shift towards pro-Western policies.
Trade and transactions	Without Russian resources, Western economies could not operate. Russia was also able to reject Western currencies, establish an exchange system, and look outside of Europe for new economic partners.	Without orders, the Russian economy cannot find customers other than in the West. The worldwide transport logistics system disintegrated, resulting in isolation.
Economic power	The Russian economy relies on industry and has a crucial supply chain with no alternative providers.	Europe can decrease its energy consumption and dependence on American energy.
Inflation	By increasing production and offering credit at reduced interest rates, the issue can be resolved.	Inflation is an issue without a solution. The primary source of revenue for the Russian economy is the sale of resources and currency issuance, which is expected to result in increased inflation.

Noted. Summarized by the author

1) Inappropriate use of strategic assets.

Once political leaders decide to utilize the dollar as a weapon for political conflict, freezing Russian funds in overseas accounts might allow Western nations to exploit their geopolitical assets. Russia's assault on American influence leads to the dollar losing its position as a stable currency because of liquidity concerns. Countries are worried that their acquisition of U.S. debt bonds may mirror Russia's situation. Another danger for the U.S. dollar is the intermittent fragmentation of the global economy, particularly in terms of global commerce, production, and economic growth being potentially hindered. Disrupting global political and military stability will also have an adverse impact. Additionally, the US economy is no longer the world's biggest. As a result, the US economy cannot exert control over other nations' resources and industries. Besides fostering industrial investment in your nation or absorbing foreign industry and relocating it to the United States. So far, the dollar needed to repay foreign debt has dropped from 50% to 13% of the Russian economy. Sanctions are often ineffective against nations that have large international trade

surpluses and low levels of external debt. The ruble may be used to acquire huge quantities of commodities required across the globe, particularly by selling vital resources in the product supply chain, raising the percentage of the national currency in the joint debt between Russia and other nations to 65% by the end of 2023 (Mishustin projects that by 2023,2023). It is anticipated that other payment methods, logistics, and transportation will be used. Because sanctions constraints have provided income possibilities, examining the effect of non-dollar transfers on the Russian economy is unrealistic given the scale of the economies in the United States and Western nations, with Russia preparing appropriately. The price of oil is \$70, and the conversion rate is 90 rubles to the dollar. This enables all expenditures to be funded. Russia's economy is supported by trade with China and India. Energy sources from Russia are distributed there. India and China are shifting focus from currencies because of the declining attractiveness of the dollar, with Russia playing a role in this trend. The creation of a different MIR payment system has impeded Western nations' ability to get affordable resources and redirect the focus of the Russian economy towards technologically superior industrial industries. It employs its own fiscal ideas rather than conventional budgeting regulations to boost the economy when necessary.

2) Making preparations to switch formats.

Russia recognises that the transition to a new economic development model should be gradual. Russia has steadily moved to diversify its hydrocarbon resources and build accompanying infrastructure in the east. If Europe accounted for almost 70% of our oil exports in 2010, it will account for just 47% by the end of 2021. At the end of 2019, the ESPO pipeline achieved design capability, ten years sooner than projected. (Ia Regnum,2024) Russia understands that transitioning to a new economic growth model should be a gradual process. The prior effort was undertaken in 2012 but did not yield results. Sudden implementation of the modification may result in future issues. Hence, the shift to its development model must occur at the appropriate moment and establish self-assurance. In 2014, Russia quickly responded when the United States imposed sanctions because of the annexation of Crimea. Russia could draw suitable conclusions and implement necessary actions before the crisis in Ukraine started. Russia has used a strategy that has enabled it to retain significant money despite U.S. confiscation.

More than 20% of the reserves may be converted to gold bullion, which is now kept in Moscow, at a cost of around 140 billion dollars. Russia not only benefits financially from Western sanctions. Furthermore, they will also be provided with financial instruments that are immune to geopolitical unrest. The Russian economy has built significant reserves and strives not to borrow much, indicating that Russia is carefully preparing its economy for potential sanctions. Russia estimates that during the Covid pandemic during the last two years, the US money supply increased by more than 38% (5.9 trillion dollars), while the EU's money supply increased by 20% (2.5 trillion euros) by the end of 2019. Entry into the United States is projected at

\$250 billion every month, which is presently \$350 billion. It seems to have increased to 40%, corresponding to the large number of unsecured dollars that have surfaced in recent years. Kompas ekonomiki(2022) "With this amount, they wiped out all products from third-country markets."

The United States prints money that has no actual worth. Bondholders' faith in the consistency of interest payments is their only reliance. This proves that the US economy is not guaranteed to maintain livelihoods during the COVID-19 pandemic if it is not focused on manufacturing. The extent of inflation is uncertain relative to the size of the US gross domestic product (GDP), but it is at least partially caused by disrupted supply chains, which raise the prices of consumer products. An industry's output volume must form the basis of any GDP calculation that adheres to uniform standards. Everything needs to be crystal clear and correct if a war breaks out or enters a period of hostilities, given the circulation of products passing through customs in monetary and physical units. Consumers are more likely to be interested in things that provide concrete benefits to individuals than intangible items like energy, fuel, food, and consumables, which are mostly influenced by the portion of GDP designated for war. Various elements are involved, such as the significance of engaging in conflicts, mobilizing, and allocating substantial resources. It is seen as a valuable investment with an attainable aim, requiring a certain degree of dedication to achieve greatness. Increasing public awareness and educating others Several additional aspects that influenced success in battle were among the contributing components(It's not about GDP: Pushkov,2024). Russia has persistently disregarded the economic regulations established by liberals. In early 2020, Russia proposed constitutional revisions that would shift the emphasis from international problems to national legal matters. The postponement of the referendum on constitutional reforms raises the likelihood that Russia may unilaterally withdraw from international agreements on meddling in national policy to boost domestic investment. The major problem is a structural imbalance between production and consumption, which must be addressed. This will require a significant allocation of cash among various demographic groupings. This strategy requires meticulous and exact preparation based on the goals of the specific operation. The execution of directives from the national defence will be modified. Industry and business are being closely monitored by President Putin's newly formed Coordination Council for Organising Military Defence. The goal is to boost production of defence industrial items and medical supplies for the army, and labour mobilisation is picking up steam to achieve this goal. Organisations across are bolstering national defence capabilities. Russia is figuring out how to use its current strengths while simultaneously generating the required enterprise in a strategic way(Sovremennaya Armiya,2022) .The facility is now operational again. The state reserve's tangible assets were made available, and all the organization's personnel were actively involved. Efficiently attracting the civil industrial sector is a top priority to mobilise the economy and boost production capacity for the required goods.

3) Western countries tend to overestimate their power.

Russia's reliance on foreign financial markets is not as strong as the West thinks. The voluntary or forced exodus of Western corporations from Russia encourages the expansion of Russian manufacturing. In addition, imports and alternative imports of items from other countries are developed concurrently, exposing the market to Russian manufacture. It also prevents consumer market shortages by enabling Russian authorities to swiftly ramp up local manufacturing to replace imports, which now account for **20%** of the market for Western corporations. Sanctions against Russia are based on the erroneous assumption that Russia lacks independence. Russia has developed and transformed in recent years, and the West is ignoring this reality. Sanctions limitations provide several obstacles for the government while also creating new possibilities. It is essential to operate methodically, with a focus on future outcomes. (Finmarket,2022) The economy will see tremendous growth because of Russia's self-sufficiency in key raw commodities such as oil, gas, coal, ferrous metals, non-ferrous metals, rare earth metals, fertilizers, and agricultural raw materials. The Russian economy should not experience an energy or food crisis unless it is caused by systemic faults or the incompetence of the authorities. **9/10** of the world's population (particularly in Europe and Japan) cannot afford it, yet Russia is fortunate in its geographic position. Inflation has been caused by sanctions that have enabled the Russian economy to attack Western economies. Industrial and agricultural output declines, for instance, because of the dependence of Western domestic production on Russian energy resources and products. Constantly priced, Germany's gross domestic product (GDP) decreased by **0.1%** in **2023**, confirming that the extent of Europe's reliance on Russian raw materials is grossly underestimated. Consequently, the European Union maintains its procurement of petroleum products manufactured in third countries using Russian crude oil, thereby securing a consistent revenue stream for the Russian economy (albeit at the expense of reduced export volumes and elevated prices).

4) Altering the function of the public sector

Despite warnings from the International Monetary Fund that printing more money than the country generates may cause inflation and slow economic development, the Russian government ignored these concerns in **2020**. This is the tangible aspect of the economy. Because of this scarcity of funds, the amount of money set aside to assist enterprises has grown substantially. To build an economy that does not rely on imports is the primary responsibility of the government. Favoured tax treatment and preferential credit rates for American manufacturing A **5%** interest rate cut for businesses on industrial mortgages and a reduction in inspection requirements(Gustova ,2022). Priority will be given to high-tech companies with a substantial multiplier impact. It is critical to have a plan for the progress and use of technology, just as the machine tool industry is crucial. It is critical to develop a self-sufficient industrial infrastructure, including military-industrial production. Its influence on civil society expansion, economic mobilisation, and national development efforts, all of which contribute to economic growth. This is because, in the face of boycotts,

it is vital to target certain sectors that are disproportionately impacted. These include aircraft and shipbuilding, medicines, instrument manufacture, and, most importantly, companies that assist the military.

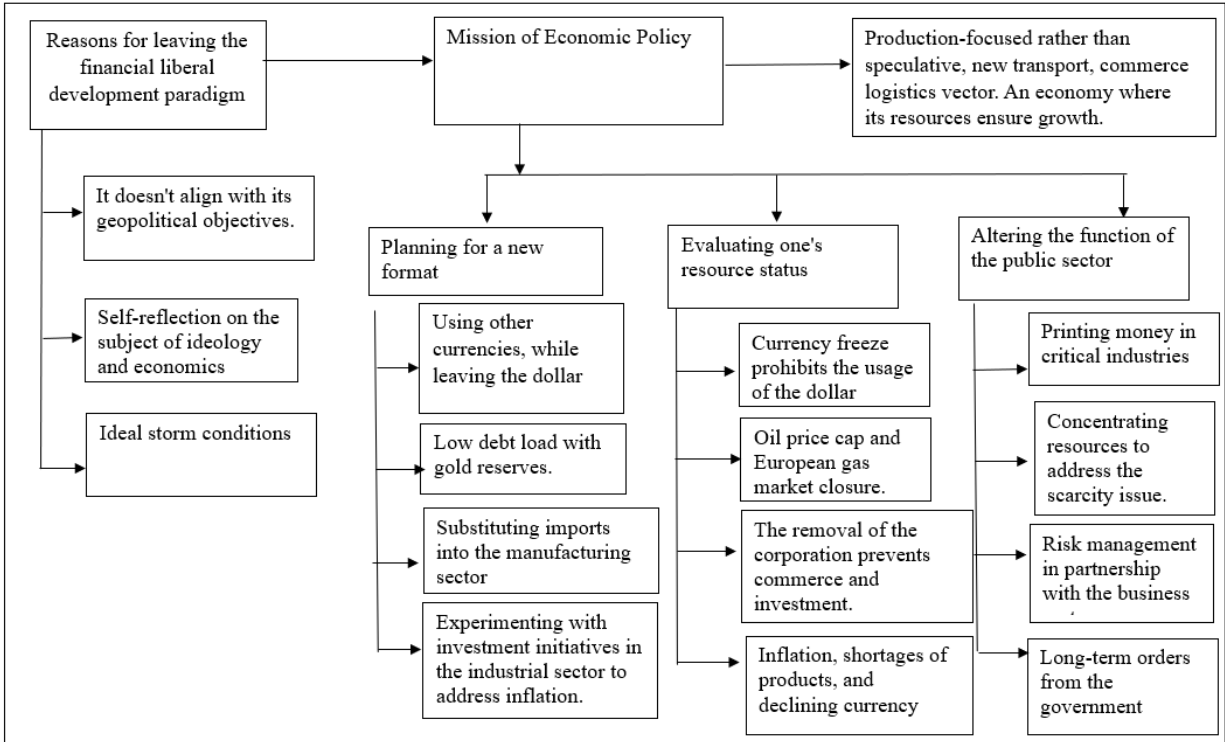


Diagram of how to formulate and execute policies that will ensure economic development on their own

Noted. Developed by the author

This is where economic mobilisation makes sense, since it allows the nation to swiftly satisfy its core vital demands while remaining based on market economic principles. The Russian economy has never been militarised in the usual sense. It remains a market economy, yet the war against NATO and sanctions will cause considerable change(InoSMI,2023). It has an impact on the expansion of the civil sector and the start of the economic mobilization and national development project, both of which are important supports for economic growth. Meanwhile, the Russian economy's production rate has not yet encountered an overheating point, as production capacity is only 60–70%, and many industries could increase production by up to 30%.Therefore, there is no need to worry about inflation or reduce credit lending, as the West advises central banks to do, and raising interest rates is just one method. However, this is not appropriate for a Russian economy that wants to expand its money supply when bank interest rates are high. Consequently, the money supply grows faster than prices, leading to economic expansion. Developing such a model requires a substantial financial investment. Since a rise in the money supply does not necessarily lead to inflation, there is no need to be concerned about printed money being used to generate domestic

commodities and national wealth. As money moves through the systems of production and consumption, society gains. As a result, increases in the value of goods and services will be closely linked to printing money, domestic labor, and domestic capital. As a result, the Russian economy has adjusted to the burden of unprecedented sanctions. The Russian economy has finished recuperating and adjusting to the new reality after the abandonment of liberal financial concepts. This must make up for the loss of commerce with the West. However, the policy of providing money to the real manufacturing sector, vital for national security, plays a significant role. Domestic capital drives economic growth, which boosts domestic demand. The role of governmental intervention, risk insurance, and the private sector in industrial growth focuses on people's fundamental needs, particularly consumer-oriented sectors that substitute for imported goods.

Conclusion .The evolution of the Russian economic development model demonstrates its capacity to swiftly adjust its economy and its enduring growth potential beyond the open financial system. Nevertheless, there was a decrease in revenue because of the boycott. The shift in development pattern diverges from the theoretical argument among academics as it emphasizes the practical need to use financial resources for investment to facilitate swift economic adaptation. The import substitution sector and defence industry are the sectors that will provide the biggest investment rewards in Russia's geopolitical crisis environment, ensuring stability in the country's social economy. Investing in the real economy is often seen as a crucial element of economic progress. Investment is crucial, and the government is now overseeing it to transition from a consumer-based economy to a supply-based economy. Additionally, the government intends to promote a market economy and engage in commerce with nations globally

Applying theoretical principles to the practical implementation of altering the economic development paradigm. Without money, addressing social stability issues is unfeasible because of technical dangers that might undermine the economic framework. Utilization The budget must establish fundamental assets to facilitate genuine economic reform in the manufacturing sector. Exports of commodities must be aligned in the same direction, whether it involves industrial capital or transportation and logistics. Thus, selecting an economically viable development model is crucial for leveraging a nation's resources and capabilities to enhance its economy, showcasing that countries can progress more efficiently without relying on Western financial principles. Transitioning away from dependence on raw materials for producing revenue in the nation remains a crucial requirement, but it does not address import substitution. Shifting industrial sectors from foreign firms to Russian enterprises aims to ensure political and economic stability by boosting the local defence industry rather than focusing on the overall growth of the civilian economy. If these funds can stimulate economic growth while transitioning to a new development model independent of Western markets, it poses a challenge.

The Russian economy can determine for itself what it wants. And what would be the fundamental structure of a sovereign national economy? As experience has demonstrated, this must be restored. Russia will not give up its place in global markets. However, it aims to concentrate on growing the potential of the local economy. This policy move provides a chance to convert Russia into a stronger geopolitical economy, liberating it from its economic role as a tool for attaining Western interests for more than three decades. Russia is becoming the cradle of a new global paradigm, multipolarity. That is why Russia must prioritize its safety first. As a result, the expansion of the Russian military force ensures future success, necessitating a rethinking of the development paradigm. This promotes the growth of industrial investment in the real economy. It comprises programs aimed at speeding up the growth of transportation engineering and the aviation industry, expanding oil refining and gas processing, and totally revitalizing agriculture. These principles are vital not just to Russia, but to emerging nations all around the globe. Shifting from a consumer to a supplier economy might help nations become more self-sufficient and less reliant on imports. Simultaneously, it promotes the home economy. The approach also emphasizes new technologies and research and development as standalone drivers of economic growth.

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