

©Bondarenko Valentina  
Dr. (Economics), Leading Researcher  
Russian Academy of Sciences, Institute of Economics  
Director, International N. D. Kondratieff Foundation

## «Transition to Crisis-Free Development: A Myth or Reality?»

*Annotation:* The article substantiates the thesis that the outlines of the future and present can be made visible and comprehensible by applying the author's findings – that is, a new methodology for cognition of regularities in the human community development. This methodology made it possible to define that there have been and are only two paradigms of the human system development in the entire multi-century course of the human community development. Cycles, crises, chaos and all negative phenomena are nothing else but natural products of the second, indirect paradigm of development. The new model of life organization at each local level is at the same time the former, first development paradigm, based on the direct interconnection between production and consumption of specific human beings, but raised onto the new high-tech level. Practical realization of this model is the only feasible precondition for the transition to sustainable and crisis-free development.

*Key words:* systemic crisis, sustainable development, new methodology of cognition, objective, specific human being, time, efficiency criteria, two development paradigms, coordination of interests, new model of life organization.

## Introduction

It was quite long ago that great thinkers and scientists in different parts of the globe started to think on how to transform the world organization in order to improve ecology, get rid of poverty, resolve the food problem, eliminate any possibility of periodically occurring wars, resolve the great mass of other problems and have the crises shattering all foundations of human existence be gone into the past

forever. Many widely-known academics focused their research on resolution of these most difficult problems. We will try to express their views on these issues.

The global systemic crisis, hitting all facets of the human community's life, is becoming the ever more profound and wider in scope. This fact has been recognized by all summits of G8, economic forums in Davos, Saint-Petersburg and other regions of the world, and G20 summits including the latest one that took place on September 5-6, 2013 in Saint-Petersburg, Russia. The panic, occurring periodically in the world markets (including the market of raw materials), every time is generated by publication of negative data on all regions of the world – i.e., US, Europe and China.

For example, in 2012-2013 many countries demonstrated their unstableness and omnipresent worsening of the economic situation. In particular, American market indices were melted down by the unfavorable statistics of the labor market, where the job-generation rates lag behind the desired parameters. While 200-250 thousand new jobs were required to be created every month during a many-month period of time, in reality the generated number was much less than needed - in August 2013, only 169,000. Therefore the level of unemployment in the US remains very high (7.3%). The growth rates of the global and US economies are slowing down, and this circumstance is being aggravated by the debt crisis in the Euro-zone, which is moving steadily to deep recession.

China's economy, too, demonstrates the slower growth rates. In April 2012, industrial production in China slowed down abruptly – its annual growth rate, 9.3%, was the lowest in the last three years. In the first four months of 2012 investments in fixed capital grew just by 20.2%, which is the worst result for China's economy in the last 10 years, while the growth of retail trade and export slowed down as well. Investors and economists once again started to talk on the threat of China's "hard landing" and to call for resolute measures that would stimulate economic growth. But, as experts in China's economy suggest, in order to become "an engine of global economy", the Sub-Celestial first needs to make its people wealthy. However, in this case China would lose its main advantage – that is, cheap labor.

India , with its second largest population and tenth biggest economy in the world, by making the stake at development of the innovation sector, also has faced the crisis situation. In the second quarter of 2013 its GDP growth rates amounted to 4.4% instead the expected 4.8% per year, while the Indian Rupee exchange rate vis-à-vis the USD dropped to historical minimum. Only within one month of August 2013 Rupee went down in value by 8.1%. Meanwhile, according to some expert assessments, the crisis in India can catalyze new recession in the entire world. Corruption, inflation, expensive credit and paralysis of authorities result in the outflow of capital and termination of business projects. In particular, this applies to strategic sectors, where the state actively regulates the process, while in the less regulated spheres (fo,r example, IT and pharmacology) the situation is more favorable. In this sense India differs strongly from China, where exactly the sectors with strong presence of the state and use of cheap labor drive the progress of national economy.

Another key emerging economy – Brazil, too, is sliding down: its growth rates as forecasted by world’s leading banks for 2013 have been reduced to 2% or even 1.6%

The year of 2013 continues to demonstrate deterioration of the global market situation, the growing crisis-ridden global climate and the further reduction of growth rates. Japan resorted to additional cash emission although today many experts in the world warn that such government measure of support would not so much prevent the crisis phenomena growth but rather result in appearance of new “bubbles” in the market and hence new shocks in future. As predicted by the analytical service of “The Economist” journal, in 2013 the global GDP will grow by 2.9% while in 2012 it grew by 3%, in 2011 – by 3.8% and in 2010 by 5.1%. The trend is quite unfavorable trend. [Baranikas, 2013]. That is, no way out of the lingering crisis is seen anywhere.

In Russia, too, the Ministry of Economic Development cut down the major economic forecasts and in September 2013 the head of this agency stated that by results of 2013 Russia’s GDP growth rate (1.8%) would be unsatisfactory. Having said so, the minister described the current economic situation as the worst since the global crisis of 2008.

Another obvious fact is that investments in the economy are sliding down, the industrial production growth is expressed in negative indices, the technological progress is nil, the financial and banking system does not function, the outflow of capital as well as foreign debt are growing, and the central bank reserves are diminishing – that is, aggravation of the economic situation is evident along all vectors.

Basing on the rapid slow-down of all processes, the RF Ministry of Economic Development has recognized officially that the Russian economy is crawling into recession, which can bring wage-freeze and growth of unemployment for the bigger part of the population. What is even more important, the Ministry has recognized that it does not see a possibility to reverse this trend and that no solutions for any of the problems have been found.

Many economists hold the view that all the current developments in the world serve an ample evidence of the already surged second wave of the crisis. However, the monetary means, being used (as they were before) to resolve the problem – such as printing of money and its investment in all sorts of assets (shares, raw resources, or real-estate property) for resale purposes are prevailing over investments in the fixed capital, and this latter circumstance would result in the further slow-down of growth. That is, the old models designed to counter the crisis by monetary injections into economy work no longer, and hence this mode, too, is not an anti-crisis remedy that would eliminate the prime cause of the crisis. Moreover, on the one hand, it is recognized that at the present time no serious discussion is underway on what must be done for elimination of the crisis. On the other hand, since the latest World Economic Forum in Davos and through to the G20 summit of September 2013 in St. Petersburg, we hear the ever more loudly voiced arguments that the crisis of 2008 and its current second wave signify the crisis of the contemporary economic model. In such circumstances, unless the root-cause of the economic crisis is identified, any system of institutes and mechanisms designed to remove tensions during realizations of anti-crisis measures would be inefficient, to say the least.

So, we should state the fact that now, on the one hand, the rhetoric of the academic discourse has changed and the discussion

moved from partial problems (to enhance, accelerate, modernize, reform, etc.) to comprehensive problems. Now, as never before, it becomes necessary to have a visionary view of the current crisis situation in the world and to undertake a search of new models of economic evolution and new concepts of economic development. However, in order to proceed to a new model of economic development, it is necessary to have a theoretically verified and practically feasible idea of the given model.

On the other hand, we should also admit that the global systemic crisis growing in scale, applies to all facets of the human-community life, and nobody know what are its in-depth objective causes and where is the way out.

So, the formula to overcome the crisis is unknown and this fact the ever more often motivates us to turn to history and look for an answer therein. The findings, however, are not at all encouraging. For example, Dr. Jeffrey Sommers – Professor of political economy and government policy at the University of Wisconsin-Milwaukee, USA, and participant to the first Moscow Economic Forum of March 2013, while discussing the measures of strict saving in the circumstances of looming recession in Russia, says that his biggest concern about such measures can be described by Mark Twain's words: "History does not repeat itself, but it does rhyme a lot." Therefore, says Sommers, he is afraid that the measures can have an adverse result, as the last time the strict economizing was applied in Germany, Italy and Japan, in the period between the first and second world wars – and resulted in fascism. Sommers does not insist that exactly the same can happen now, but he suggests that the outcome can be quite unpleasant. He notes that economizing may not be imposed on people all the time – ultimately, they will react, and nobody knows what kind of reaction that would be [Astashenkov 2013].

Another American economist, Paul Farrell, and some others, while trying to find a formula to counter the crisis, openly offer a rather untraditional way out from the recession. He suggests that the world can be saved from the crisis by nothing but a new big war. According to Farrel, wars stimulate economy, and exactly the war helped the US to get out from the most serious economic collapse of the past century, the Great Depression.

Inter alia, there are many opponents of this theory, because a big war would have so catastrophic consequences, including the economic ones, that there could be no talk about any growth [Crasnova 2013]. The tough confrontation between the two positions was made visible at the G20 summit in St. Petersburg. The issues of the current situation in the Middle East and, in particular, preparation of the US armed action against Syria made the main theme of the summit, while the major question – what should be done to overcome the crisis – was left unanswered.

Such understanding of the causes of the crisis is based on what the Russian Federation President Vladimir Putin said at the working meeting of the G20 Summit on September 6, 2013: “Our experts shared the unanimous view that substantial reduction in the volumes of long-term investments became a key factor of the slower economic growth and the stagnation in the sphere of unemployment. And, we see a whole complex of problems, such as: fragmentation of the European Union’s banking system, shrinking of the fiscal space, reduction of credit potentials of development banks and toughening of financial leverage. Exactly for these reasons, Russia set forth a proposal to channel the collective efforts to the search of new sources for financing of investments” [Russia G20 website 2013]

Exactly because of the methodological vacuum we not understand the objective root-causes of the crisis and cannot see a way out. Therefore we cannot find the means to overcome it and to proceed to the evolutionary crisis-free road, to transition from the asocial model of economic development to adoption and realization of the economic growth concept and strategy oriented to priority development of the real sector as well as development of humans as such and their qualities.

In his book *Globalization, Transformation, Crisis – What’s Next?* Rouslan Grinberg notes: “Economics and sociology arrived to one shared conclusion: organization and functioning of the surrounding world is the ever less comprehensible, as it becomes the ever more illogical and hence uncertain” (Grinberg 2011: 9).

Hence the question, being asked these days by many scientists and scholars: “Are the world civilization development crisis, wars,

terrorism as well as manmade and natural disasters to be seen as temporary phenomena and casual events, or rather as a chain of causal-and-effect relations being a result caused by the effects of profound laws, which apply to nature and society and which lay in the basis of co-evolutional development of the world system?"

Therefore, the main precondition to proceed to crisis-free development is to receive and master knowledge on objective causes of the global crisis, to find access ways to the crisis-free development road and to understand the implications of each decision being taken. The time for development by the trial-and-error method has passed irreversibly.

## **New methodology was constructed for cognition of regularities in the human system development**

In the course of the recent thirty years we, too, have been conducting research aimed at identification of objective causes for the crisis condition in the human system development as well as at visualization of the future. To this effect, it was required to do research at the visionary level, and as a result the new methodology was constructed for cognition of regularities in the human system development.

The essence of the new methodological tool-kit and its scientific novelty are represented by the fact that it is based on the discovered objective target in the human community development. In order to arrive at this conclusion, it was required not only to define the goal of the human system development, but to identify the final objective that cannot be a sub-goal of a higher objective within the mundane human existence, but represents the objective reason of the human system development – and then to understand that each specific human being, each individual does not live in order to provide for GDP growth or to manufacture the biggest possible amount of weapons for self-annihilation. A human person must and can live in order to develop and realize maximally his/her spiritual and intellectual potential while at the same time raising the level of consciousness and physical perfection.

In other words, each specific human individual in his/her development must and can attain the Supreme Reason or to reach the image and liking of the Creator. Otherwise, development would follow a different, entirely opposite scenario – i.e., the blind-alley option: retrograde development for the purpose of starting everything anew, or a catastrophic finish, the apocalypse. Even now some technologies have been created that can very well work without human interference. For example, the IBM Corporation is working on the Smart City project providing for interaction of municipal intellectual systems without involvement of human mind.

The modern bio-computers can force human cells to communicate independently with one another so that this would pave the way to construction of their complex configurations. Hence, to overcome and eliminate crises and all problems facing the government, business and society at large would be only possible if all decisions in the end provide for continuous, evolutionary and irreversible movement towards attainment of development objective. Only in such a case it will be possible to find a way for sustainable development and practical realization of the “Millennium Development Goals” (by our logic – the sub-goals of the higher objective), announced by the UN as the guiding landmarks for all nations of the Earth.

Held in Rio-de-Janeiro, the UN Conference on Environment and Development of 1992 formulated the major ideas on sustainable development of the humankind. The sustainable development concept fundamentally differed from traditional views and economic practices in the sense that it contained an integral approach to development as an overall process. At that time the sustainable development was defined schematically as a “triune” interaction process of “nature – population – economy”. However, for this classical triad to be viable, its emphases must be modified in the context of our visionary approach as “goal – sustainable – development”. The sustainable and steadfast movement ahead – i.e., development must and can be only provided in relation to nothing else but the objectively set goal.

Therefore, whether we like it or not, the society should develop so that to create, for any human individual, the area of habitation, in which equal and free access to all diversified benefits of civilization

would be available – not in order to reach a new level of ‘consumerism’ or supremacy of technologies over humans, but in order to attain the final objective – let humans become perfect. This is the human being’s mission on Earth, and it must be fulfilled!

The second component of the new methodological toolkit – integrity, systemic nature and cross-disciplinary approach – proceeds from the basis that the world is single, the laws of nature and society are in unity, while the world is an integral system and can be cognized only with unification of all scientific and spiritual knowledge into some unified, systemic, integral and cross-disciplinary (or, rather, trans-disciplinary) knowledge. Therefore all these elements had to be unified systemically through identification of the target function of development of the entire system and its any part in any section (civilization-related, formational, national, confessional, territorial, natural-scientific, socio-economic, socio-cultural, political, organizational, etc.), and irrespectively of whatever development model (neo-Liberal, Keynesian, totalitarian, or a mixture thereof) would be prevailing. Only through such knowledge one would understand that the financial, economic, social, organizational, science-tech and, as a whole, systemic crisis in the world as well as all existing negative phenomena are links of the same chain. Therefore the decision, too, must be integral, systemic and unified for the entire world, but the interests of all people living on the planet must be taken into account.

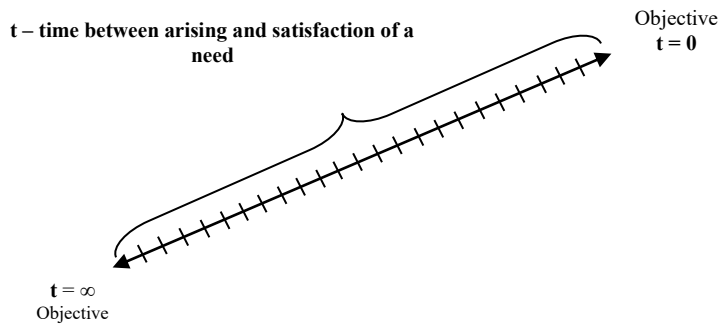
Third, we identified the only possible index to measure and juxtapose all processes and phenomena – that is, time. By applying the latter, we can measure and juxtapose in other indices something immeasurable or incomparable, and, what is the most important, to correlate all facets of human and societal life with the target ideal, and to find out as at what step of human progress they are located in relation to the objective.

Fourth and finally, the new methodological toolkit contains the single criteria of efficiency of the human system development – the time between the need to approach realization of the single objective of development and the reality, in which society (in whatever the section) and each specific individual are placed in relation to such objective. If *the time between* arising and satisfaction of a specific

individual's need tends to reduce continuously and evolutionally, as well as gravitates to zero, then the human system develops in relation to the objective sustainably and efficiently. This conclusion provides us with the absolutely new understanding of the human system development. Application of this criteria helps to control time between arising and satisfaction of any need of any specific individual. To control time means to control development so that to ensure evolutionary and irreversible reduction and approach the criteria value, equal to zero. Only in this case the human system would start developing sustainably in relation to the objective in the interests of any specific human individual.

## The fundamental conclusions are obtained using a new methodology of knowledge

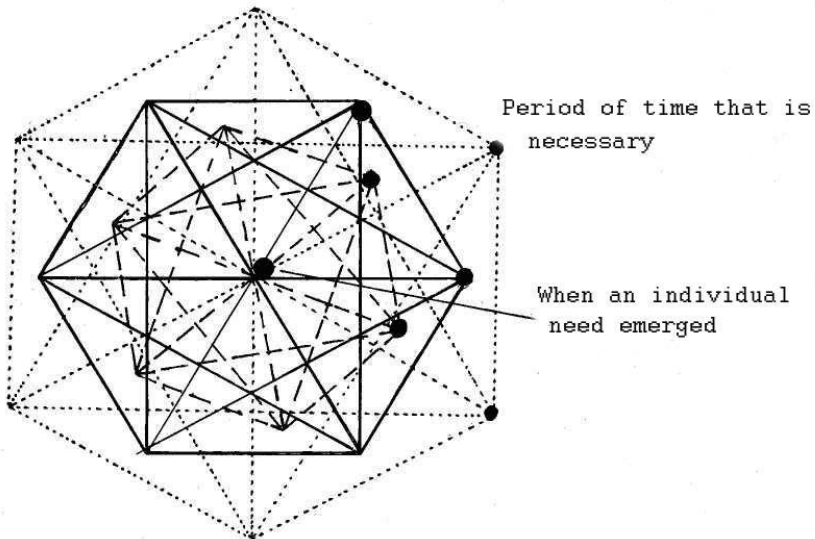
In the theoretical plane of the new methodology, the time between arising of a need and its satisfaction in terms of the goal attainment is *the vector of time (or axis of time) from infinity to zero* (see Fig. 1).



**Fig. 1. Vector (Axis) of Time**

Development of the humankind and its different structures in whatever the section – through to a specific human individual – is distributed along this vector in different points, and at any given moment the time between arising and satisfaction of a need can reduce or grow, thus approaching or moving away from the goal. The time vector represents the linear vision of the problem which can be

discussed, if the human community's life is considered in statics, as of the given moment of time. In reality, in dynamics, everything takes place much more complexly. Today the time between arising and satisfaction of needs is different for different communities, and its not coincide either as of the given moment or in dynamics. Moreover, the processes of change in the time can be positive or negative, cyclical and undulated, direct and reverse. If these processes are considered not in relation to communities but to a specific individual, then the numerical value of this diversity would be most probably determined by digital values in multiple degrees. So, every human individual lives in a kind of his/her own sphere, under the effect of his/her own centrifugal and centripetal forces, within some Brownian motion, in his/her own microcosm which does not coincide with the microcosm of others (see Fig. 2). This would produce a peculiar hyper-tetrahedron of the habitation area, and each specific human individual is situated in the center thereof. Vertexes of this hyper-tetrahedron would be equidistant from the center, when the whole humankind happens to be in one and the same space of time, and when the time between arising and satisfaction of a need will be equal for all people. Such outcome can be only attained if equal access to the maximum variety of goods is available.



**Fig. 2. Microcosm of Human Individual**

So, if civilizations, nations, countries, small and large communities as well as separate individuals stay in different linear and spherical spaces of time, they would have different levels of consciousness and would never be able to conciliate their interests or understand one another. Exactly this circumstance is the cause generating the origination and aggravation of all troubles of the humankind. Hence, the crisis in development of global civilization, wars, terrorism, man-made and natural disasters are a result caused by the effect of profound laws common to nature and society. Moreover, as long as people stay in different linear and spherical spaces of time, it will appear that the planet hosts many local civilizations, which are different from one another and which were described in length by Spengler and Huntington.

Therefore to resolve all the problems incurred in society development and to modernize the latter on the basis of R&D and realization of advanced technologies of the 21<sup>st</sup> century would be possible provided only that the road is found which in the end will provide for continuous, evolutionary, irreversible and simultaneous attainment of the objectively set development goal for each concrete human person with due regard of his / her individual interests.

This methodology and results of its applications are described in detail in the book "Forecasting the Future: A New Paradigm"[2], published by the "Economika" publishing house in 2008, as well as in numerous articles published in Russia and other countries.

As a result, the methodological toolkit made it possible:

- ✧ to surpass the limits of the entire human system and to see it as a unified whole of "past-present-future" in relation to the objectively set development goal;
- ✧ not to rely upon empirical and subjective data of the past and present;
- ✧ to comprehend the objective picture of the human system development depending on the positive (sustainable) or negative (unsustainable) orientation to realization of the unified, single objective.

This methodological toolkit let us see that in the whole course of many centuries-long development of human community, there have been only two paradigms of the human system development:

- the first one proving that there is a direct connection between production and consumption; and,
- the second one proving that production and consumption are interconnected indirectly.

The schematic outlay of human community development, presented by Fig. 3, demonstrates when and how each development paradigm formed, is forming and can form in future along or around the axis of time equal to zero, between the moments of arising and satisfaction of a need.

According to this outlay, the entire history of humankind can be divided into three phases.

Phase 1 is featured by prevalence of the *first development paradigm* expressed in direct connection between production and consumption.

This figure represents the graphic outlay (chart) of the human community development.

For clear and correct understanding of this chart it is necessary to provide the following clarifications.

The horizontal "X" axis is addressed to development stages of the entire human community subject to the prevailing mode of production (pre-industrial, industrial and post-industrial). The "X" axis reflects the minimal (zero) time between appearance and satisfaction of a human need.

The value, placed on the vertical "Y" axis, applies to the status of time between the appearance and satisfaction of a need.

The upper and lower curves, equidistant from the "X" axis, show the eventual change (deviation from the zero) of the need-satisfaction moment subject to the mode of production and the domination of some or another paradigm of the human community development.

So, this chart makes it visible:

- (1) as how, when and what particular paradigm related to the objectively set goal was and is being formed and may be formed along or around the axis of time (the axis of "X" = 0);

- (2) that the wider the deviation from the “X” axis, the longer the time between manufacturing of a product (commodity) and satisfaction of a specific human’s need therein;
- (3) that the longer the time between the appearance and satisfaction of a need, the bigger the probability that crisis conditions would arise in the human system development.

Hence, as we see, the entire mankind development can be divided in three stages.

Everything that was produced at that level of manual labor being mastered by humankind was consumed thereby. Hence the time between the arising and satisfaction of a specific individual’s need was minimal. That was the pre-industrial type of production – any manufacturer was producing goods for him self and, by order, for specific consumers at the household level (craftsmen).

Advent of primitive technologies, division of labor, market, class of brokers (merchants) and the universal equivalent to exchange with results of such labor – that is, money, as well as the gradual territorial expansion and development of foreign trade – all these resulted in transformation of direct interconnection between production and consumption into indirect one. Thus the *second development paradigm* was taking shape, and its development in time and space was accelerated by transition to the industrial type of development.

The industrial revolution, epochs of steam and railroads, steel, electricity and heavy industry, oil, automobile and mass commodity production entailed building the consumer-communication infrastructure including the network of roads, ports, shops (from small shops through to grand shopping centers and highly mechanized warehouses), radio-technical, electric and information networks, etc. Those were the major landmarks that evidenced formation of mass, conveyer-type industrial production (accompanied by development of domestic and foreign trade as well as territorial expansion through to the global level) and mass consumption. Production of such type is oriented to satisfy demand and needs of abstract end consumer through the elemental, archaic, mediated by longer time and space and market-based form of communication with any specific human individual.

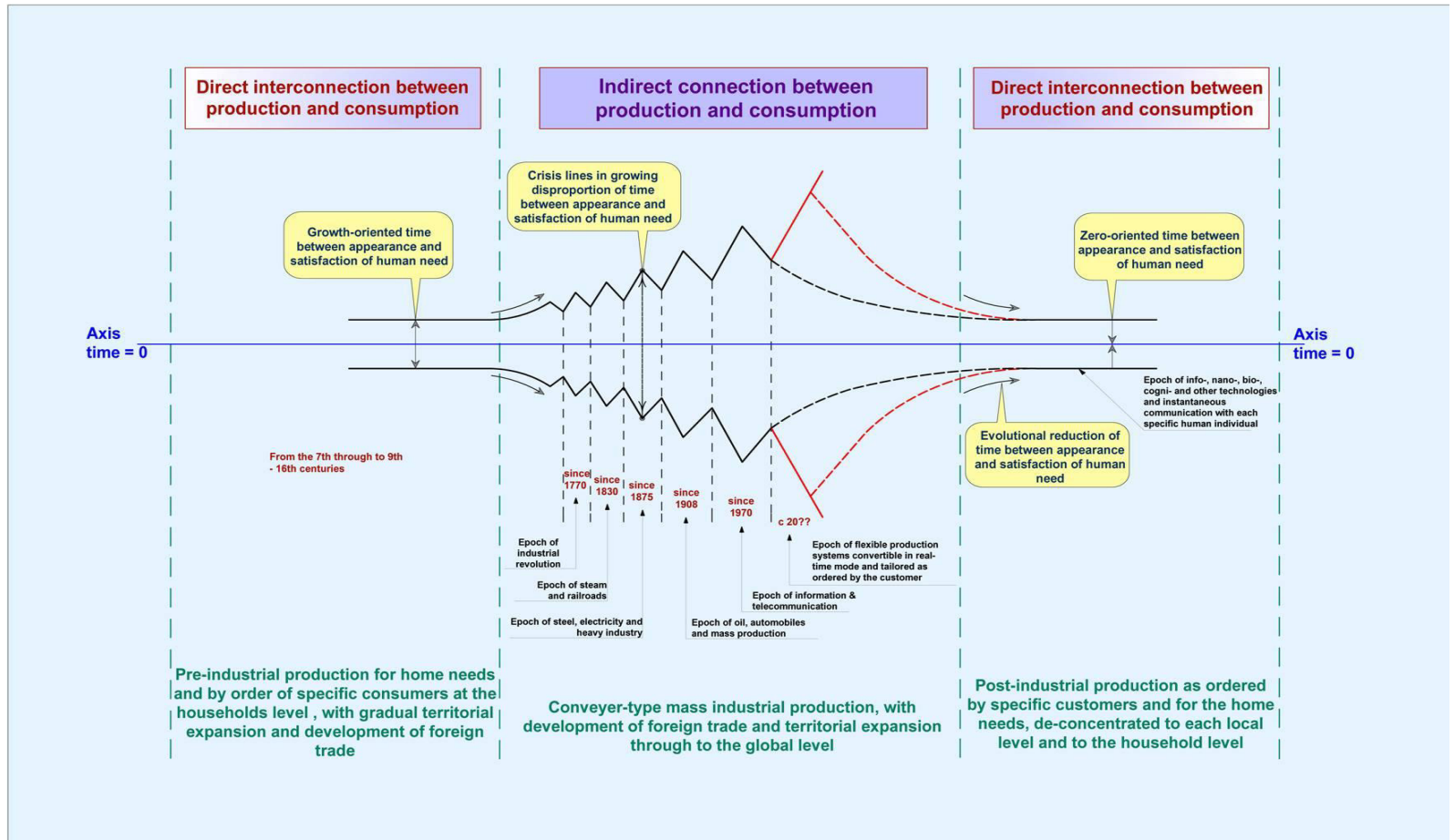


Fig. 3. Schematic Outlay of Human Community Development

In such circumstances uncertainty of production resulted in appearance, and then global growth of disproportion, and then entire de-synchronization between the time of production and the time for circulation of goods / money. The dynamic of movement of material and real factors of production, despite their multiply grown volume, happened to be torn far apart from their monetary form, both the real and (especially) the virtual. Monetary methods of coping with financial crisis made this gap in the movement of real products and money even wider and contribute to the further growth of disproportion between the time for production and time for circulation of commodities and money. As a chain reaction, the financial crisis is growing the ever more rapidly to the level of systemic crisis. Therefore it is clear why philosophers, economists and political scientists, proceeding from the works written on the basis of empirical information about on the already occurred events of the past, started to argue that complexity, nonlinearity and chaos as well as cycles and crisis are an inevitable condition for development. This would be the case – unless we understand that all the afore-listed phenomena are a natural product of the second paradigm of development.

Diogenes of Sinope, who lived as long ago as over 300 years B.C., was correct when he said that the person, who had invented a plough, made a very adverse favor for the mankind, since that invention enabled people to produce more products than the producers needed for their own survival. That is, the crisis of the currently existing life-organization model, with its due-to time and space interconnection between production and consumption, started long ago, since the moment of the given model's inception.

Appeared in the 1970s, information technologies providing for direct communication with consumers, and flexible production systems that can be adapted to specific orders in the real-time regime, did not change the given development paradigm, and did not consolidate the embryonic opportunity to establish direct connection between production and consumption and to conciliate their interests. Information technology became “an end in itself” for development and a means to create global markets.

So, the essence of the second development paradigm is seen in the indirect and desynchronized (both in space and time) interconnection of different commodity production technologies and consumption of such commodities by a specific human individual.

All crisis of this development paradigm occurred at the peak of growing time-related disproportion between the arising and satisfaction of a need. The current systemic crisis is the peak of the given development paradigm. Globalization of all relations in its current form, started to negate itself as soon as it appeared.

Why so?

Together with globalization of all processes and the freedom in movement of ideas, goods, money and information, the conveyor-type mass type of production survived and its length in space has grown to the global level. Time between arising and satisfaction of a specific individual's need has become even longer. It does not appear possible to conciliate interests of states, society, business and specific individuals. This long road of time and space, available for the aforementioned movement, offers perfect conditions for absolutely all negative phenomena. Poverty and inequality, primitive economy, underdeveloped production and trade, terrorism and corruption, natural abnormalities and disasters, growing prices and inflation, etc., – all these are links of one and the same chain, and a product of the indirect development model. In the given case, the factor of time plays an extremely negative role. In such circumstances the scattered and narrowly specialized scientific knowledge undergoes crisis in the solvency of different theories and their explanatory abilities to make a subjective assessment of the occurring events.

However, in the age of cosmic speeds and application of digital, info-, cognitive, nano- and other technologies, we see onrush change of economic and other realities that are incompatible with such a type of production and consumption, and, in particular, with such a type of interconnection with a specific individual and with impossibility to conciliate specific individuals' interests.

## **New model to be applied for life organization**

At the same time, it is only now, owing to development of ICT and other high technologies of the 21<sup>st</sup> century that we again have an opportunity to proceed to the direct connection between production and consumption – that is, again to proceed to the first development paradigm.

An efficient means to eliminate disproportions and de-synchronization of all processes in time and space can be found provided only that production-consumption relations are properly synchronized, and interests are agreed with each specific human individual within the whole range of her/his spiritual and material needs, while goods and services that would satisfy the given needs would be produced under the given individual's order, without manufacturing anything redundant. Only such production, oriented to satisfaction of needs of a specific individual under his / her order, would serve the basis for preservation and replenishment of natural ecological life-support systems for the current and future generations.

Return to the first development paradigm would provide for resolution of the two interconnected strategic tasks, that is:

- (1) to modify the contents of economic and social policy by the state so that it would be aimed at transition to reproduction trajectory of domestic development, provided only that the entire process of reproduction would be oriented to the ultimate result – evolutionary reduction of time between arising and satisfaction of needs (demand) of each specific individual. This can be attained provided only that commodities are produced under the order of any specific individual.

To this end, it appears necessary to draw and realize a program for re-industrialization of the entire production – that is, to put production on the track of advanced engineering and technologies connected with attainments of science-tech progress. The end target is to have smaller high-tech forms of production with distributed systems that can be “re-tuned” in the real-time regime with due regard of

a specific individual's order covering the whole range of the customer's needs;

- (2) At each local level, to form a mechanism of real-time conciliation of all actors in such relationship – that is, the state, business and end consumers (specific individuals). As a result, only a minimum number of problems that cannot be coordinated at the local level would be presented for conciliation of interests at the regional or national level. Such conciliation must be realized through the shared cross-communication infrastructure, universal for all types of production and all consumers, and based on application of digital information and communication technologies, broad-band television and other innovations that are so widely and eloquently discussed at all domestic and international levels.

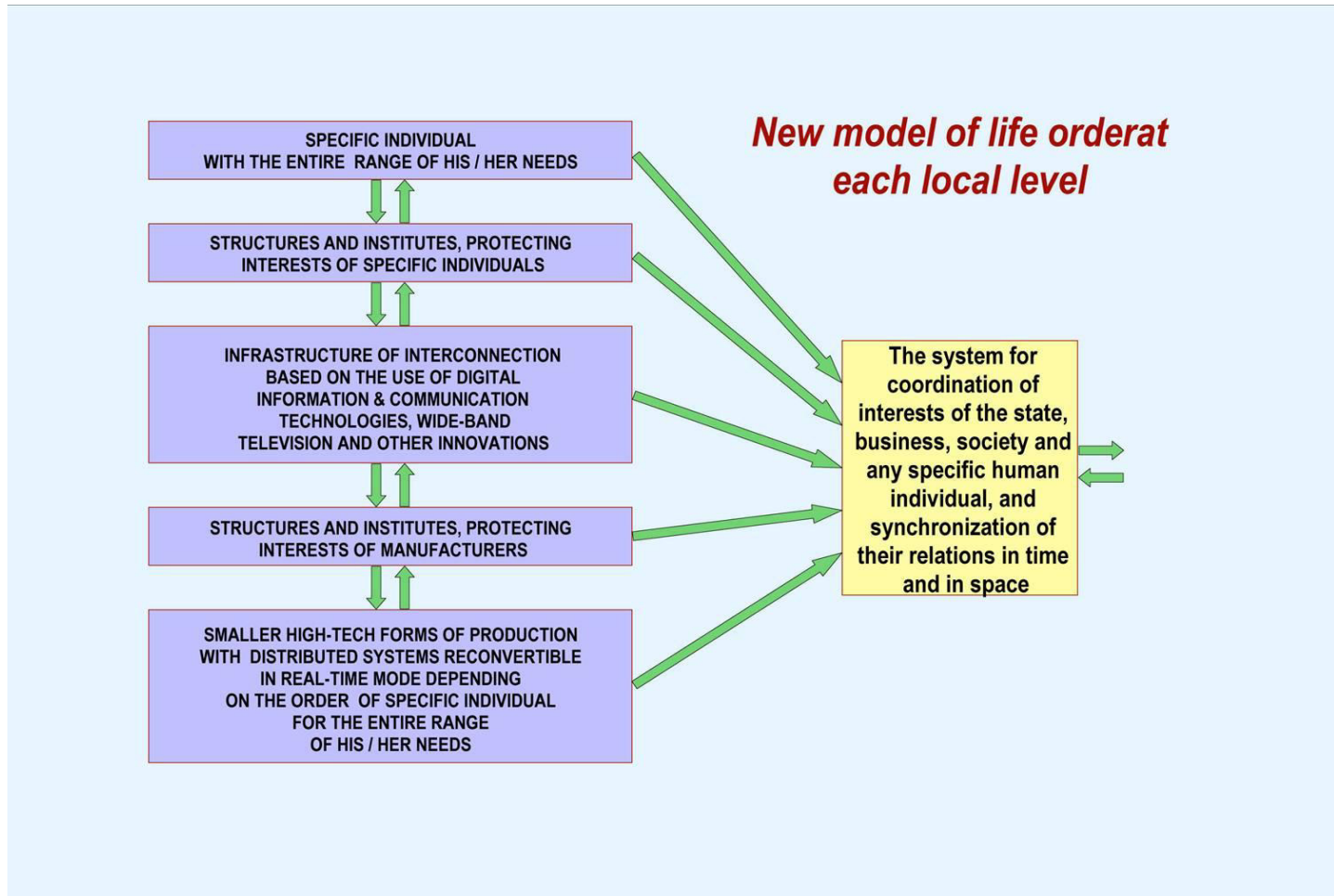
Fig. 4 presents the outlay of the new model to be applied for life organization at each local level and in fact representing the former, first development paradigm based on direct interconnection between production and consumption elevated to the new technological level as well as on development of information systems for direct communication of humans. Such technologies are already available to satisfy almost the whole range of human needs.

As early as by the end of the 20<sup>th</sup> century, when information technologies just appeared, E. Toffler wrote that quite soon everyone, operating his/her personal computer, would control the technological process to manufacture products for her/his personal consumption without producing anything redundant.[3] Today, for example, Toyota disclosed its plans to develop interactive communications between owners of its brand cars, dealers and head office of the given company. The social network that would unify millions of people throughout the world was to start functioning in 2012. The system would be based on technologies of corporate social networks, and access thereto will not be available for outsiders. "Social networks change the means of communication and format of interaction among people", said Toyota President Akio Toyoda.

The new social network will be named “Toyota Friend”. The users will be able to “communicate” with their cars by sending messages like they do in Twitter and Facebook, while every car will have its own profile. On the other side, electric motor cars will be able to send SMS to the owners’ mobile phones in order to remind that, for example, time is coming to charge the battery. Thus, drivers would be able to conduct a sort of conversation with their own cars.[4]

In her book “Technological Revolutions and Financial Capital”, Carlota Perez writes that technological revolutions occurring once per about half-century deliver its fruits with some time lag. It takes two or three decades of turbulent adaptation and assimilation before the new technologies, sectors and infrastructures would start facilitating the advent of the “golden age” (*belle époque*), or “era of prosperity” [5]. That is, owing to technologies of the 21<sup>st</sup> century that were originated some thirty years ago, production again returns to the local, through to the household level, to a specific human individual.

Consideration of each individual’s interests at every local level and conciliation of such interests in real-time regime are the only available driving force that would provide motivation for the higher productivity of labor and accelerated innovative development of socially oriented high-tech forms of production. In such conditions, every specific consumer can become a stakeholder and investor of the given business. Today, however, notwithstanding the crisis, reduction of deposit interest rates and growth of inflation, Russian depositors increase their bank deposits. Hence, the wider disproportion between the time of production and circulation of commodities and money. Channeling of those funds directly to the real sector would help in the more efficient resolution of the task to make our economy much less dependent on raw-resource supplies and to enrich it with the long-expected intellectual dimension. This will be attained owing to arising of new possibility to create conditions for any person to generate new knowledge in the interests of the entire society and at the same in his/her own interests. Only in such conditions it will be possible to build actually the new, “smart” economy, based on intellectual excellence and production of unique knowledge as well as oriented to continuous improvement of human life quality. Only in such conditions it will be possible “to replace the resource-based primitive



*Fig.4. New Model of Life Organization at Every Local Level*

economy by smart economy producing unique knowledge, unique things and technologies, as well as things and technologies being useful for people". And, only such economy will be the most competitive in creating an absolutely quality of life for people.

## **Our proposals**

For accelerated formation of the new and at the same time former model of life organization, it appears rational:

- ✓ within the shortest period of time to accomplish modernization of Russia and any country of the world through transition to the model of life organization for the state, business, society and each specific human individual with due conciliation of their interests in the real time by systemic application of advanced technologies of the 21<sup>st</sup> century. As the major precondition for realization of this task, national leaders must have political will to form such level at the municipal, regional and federal level;
- ✓ within the shortest periods of time to draw the "Comprehensive Target Program for Formation of the New Life-Organization Model" and to realize the latter at each local level;
- ✓ for elaboration of such "Comprehensive Target Program", it would be advisable to establish, within the Russian Academy of Sciences, Russian Academy of Natural Sciences and academic communities of concerned countries, an inter-academy and inter-institutional cross-disciplinary of academics and practical specialists;
- ✓ to provide for participation of all national science towns and innovation towns as well as the entire global intellectual community, unified by network cooperation within Internet in development of the afore-described model with due regard of tax preferences and legal acts. For realization of this program, it is most strongly required to "energy of youth" – that the best young minds of IT-specialists, software and hardware engineers, researchers, inventors, and others. Armed with new knowledge and understanding of the fact that this projects meets their own interests as well as interests of their relatives, friends and whole society, young talents would be able to formulate their demands

- to the state and business in precise terms and to build the basis for realization of the new sustainable development paradigm;
- ✓ to provide for transfer of the new life-organization model throughout the whole territory of Russia and, probably, the entire planet – may be, under the auspices of the United Nations.

As early as in the book “Forecasting the Future: A New Paradigm” the author noted: “The key to the philosophy for building the global society and all its institutions must be served by the following premise: All inhabitants of the Universe share the same origin; all people share the same human nature; all religions share the same divinity, while the entire global community and each human individual share one the same sole objective – to attain the Supreme Reason in their development”. The major task of the UN or any other institute, established on its basis or within its framework, will be to include a structure that would accumulate all knowledge – from origination of the Humankind through to the current time. From this science-tech data pool, it would be possible to receive any knowledge so that in any corner of the planet technological chains could be built between arising and satisfaction of a specific human need, and thus to provide the growing synchronization of all processes in space and at the same for their reduction in time. The missing knowledge is an order for new R&D, new research, experiments and designs”[2].

Realization of the given project for the entire global world would be a breakthrough to the future, in which the “sustainable and crisis-free development” would at last become a logical and regular reality rather than a beautiful abstract slogan. Such a future can and must be formed right today, here and now, with due regard of each specific individual’s interests as well as interests of the entire global world. For the contemporary generation of people, harmonization and synchronization of human relations in time and space is the only available chance to create a new quality of life for our contemporaries as well as for future generations. The main point is not to lose time again and not to admit a destructive wave of the new crisis!

## REFERENCES

Astashenkov, A. 2013. *Poslednii raz zhestkaya ekonomiya privela k fashizmu* [Last time the strict economizing resulted in fascism]. *Russkaya planeta*, In Russian (Асташенков Артем. Последний раз жесткая экономия привела к фашизму. *Русская планета*). 15. 07. 2013

Baranikas, I. 2013. *Prognoz po Rossii huje chem v tselom po planete* [The outlook for Russia is worse than in the whole planet] *Moskovskiy comsomolets*, In Russian (Прогноз по России хуже, чем в целом по планете. *Московский комсомолец*. 18.09.2013), <http://www.mk.ru/economics/purse/article/2013/09/17/916767-prognoz-dlya-rossii-huzhe-chem-v-srednem-po-planete.html>

Bajdakova, A. 2012. 20.06, Sociologist Manuel Castells on Inevitability of New Democracy (in Russian - *Социолог Мануэль Кастельс - о неизбежности новой демократии*,) . <http://www.svobodanews.ru/content/article/24620450.html>

Betsis, Paul. 2010. *Setevaya ekonomika stanovitsya normoi* [Network Economy Becoming a Norm] // *Territoriya biznesa*, № 11 (48), November, pp.44-46

Bondarenko, V. 2008. Forecasting the future through the prism of the new cognition methodology, or future can be only forecasted from future!, Charter 6. In book *Forecasting the Future: A New Paradigm* / Edited by G. G. Fetisov and V. M. Bondarenko. Moscow, "Economika" Publishers, – p. 220-270. In Russian (*Прогнозирование будущего сквозь призму новой методологии познания или прогнозировать будущее можно только из будущего! Глава 6 в книге «Прогнозирование будущего: новая парадигма». Под ред. Фетисова Г.Г., Бондаренко В.М., М.: Издательство «Экономика»*)

Bondarenko, V. 2012. *Crisis-free development – a myth or a logical reality. Thinking out loudly an antology*. – М.: Publishing House «Science», – 390 с. In Russian (Бондаренко В.М. *Бескризисное развитие – это миф или реальность*. М.: ИД «Наука»)

Bondarenko, V. 2008. *Innovations, Information Society and Long-Term Development Strategy of Russia.*, Journal «*Information Society*», № 5-6, p.109-114. In Russian (Бондаренко В.М. *Инновации, информационное общество и долгосрочная стратегия развития России*. Информационное общество, № 5-6, 2008)

Bondarenko, V. 2009. *Innovations, Information Society and Long-Term Development Strategy of Russia.*, Journal «*Information Society*», 2009, № 1, p.78-83. In Russian (Бондаренко В.М. *Инновации, информационное общество и долгосрочная стратегия развития России*. Информационное общество, № 1, 2009)

Bondarenko, V. 2009. *Innovations, Information Society and Long-Term Development Strategy of Russia.*, Journal *Economic Studies* is indexed and abstracted by Journal of

Economic Literature/EconLit, Institute of Economics at Bulgarian Academy of Sciences, , издания на Америкаската икономическа асоциация (АИА), както и в RePEc, EBSCO, SCOPUS. <http://www.iki.bas.bg/bg/node/137>, JEL. 011, Година XVIII, книга 3, p. 39-54

Bondarenko, V. 2009. *Russia's Future Viewed From the Future*, Journal Integral, №1, p.32-34. In Russian (Бондаренко В.М. *Взгляд из будущего на будущее России*, Интеграл)

Bondarenko, V. 2009. *Selection of Russia's Socio-Economic Development Model and the Mechanism of Its Realization*, Journal Integral, №6, p.44-46. In Russian (Бондаренко В.М. *Выбор стратегии социально-экономического развития России и механизм ее реализации*, Интеграл)

Bondarenko, V. 2011. *Contours of the economy of the future and the present: two paradigms of development*. Journal Vestnik IE RAS, № 2, p. 25-38. In Russian (Контурь экономики будущего и настоящего: две парадигмы развития. М.: Вестник ИЭ РАН)

Bondarenko, V. 2011. *Modernization of Russia: Two Development Paradigms*, Journal «MID» (Modernization. Innovation. Development.), № 1, с.4-12. In Russian (Бондаренко В.М. *Модернизация России: две парадигмы развития*, МИР (Модернизация, Инновации, Развитие)

Bondarenko, V. 2011. *Global processes and their dynamics: two paradigms of development*, Journal Globalization Studies, "Uchitel" Publishing House, Vol.2 № 2 November, p. 80-89

Capra, Fritjof. 1975. *The Tao of Physics*, Shambhala Publications, Boston.

IA Vladnews, 2011. May 30, "Nauka yi technologii", *Toyota sozdaet svoyu socialnyuyu set* [Toyota Creating Its Social Network]. / <http://vladnews.ru/2011/05/30/44152.html>

Grinberg, R. S. 2011. *Globalizatsiya, transformatsiua, crisis – chto dalshe?* [Globalization, Transformation, Crisis – What's Next?] Moscow, Magistre Publishers, p. 9. In Russian (Гринберг Р.С. *Глобализация, трансформация, кризис – что дальше?* М.: Магистр, 2011. С.9)

Huntington, S. P. 1996. *The Clash of Civilizations and Remarking of World Order*. N.Y.:Simon & Shuster.

Laszlo E., et al. 1977. *Goals for Mankind. A Report to the Club of Rome on the New Horizons of Global Community*.- N.Y.: Dutton.

Spengler, Oswald. 1998. *Zakat Evropy. Ocherki morfologii mirovoi istorii*. [Decline of Europe. Essays on Morphology of the World History]. Volume 2: *Vsemirno-*

*istoricheskiye perspektivy* [Worldwide Historical Prospects]. Translation from German and comments by Mahankov I. I. Moscow, "Mysl" Publishers.

Tinbergen, Dolman van Ettinger (Ed.). 1976. *RIO: Reorganization of International Order*, Roman Club Report/, New York, EP Dutton.

Vernadskiy, V. I. 1988. *Philosofskiye mysli naturalista* [Philosophic Thoughts of A Naturalist]. M., Publishing "Science". In Russian (Вернадский В.И. *Философские мысли натуралиста*. М.: Издательство «Наука»)

Kont, O. 2003. *Doukh pozitivnoi filosofii (Slovo o polozhitelnom myshlenii)*. [The Spirit of Positive Philosophy {A Word on the Positive Thinking}] . Translated from French by Shapiro I. A. Rostov-on-Don, Phoenix Publishers, — 256 p.

Russia G20 website, 2013 *The second working meeting of heads of the delegations to the G20 summit //*, 6. 09. 2013, In Russian (Второе рабочее заседание глав делегаций саммита «Группы двадцати») <http://ru.g20russia.ru/news/20130906/782717864.html>

Perez, C. 2011. *Technologicheskiye revolyutsii yi finansovyi kapital* [Technological Revolutions and Financial Capital]. Moscow, DELO Publishers, p. 17. In Russian (Перес Карлота *Технологические революции и финансовый капитал*. М.: ДЕЛО)

Spenser, G. 1885. *Philosophy and Religion. The Nature and Reality of Religion*

Toffler, E. 2010. *The Third Wave*. — Moscow, АСТ, — 784 p. In Russian (Тоффлер Е. *Третья волна*. М.: АСТ)

Fetisov, G. G. and Bondarenko, V. M., 2008. Edited by book "*Forecasting the Future: A New Paradigm*" /. Moscow, "Ekonomika" Publishers, – 283 p. In Russian (Прогнозирование будущего: новая парадигма. Под ред. Фетисова Г.Г., Бондаренко В.М., М.: Издательство «Экономика»)

Finmarket Information Agency, 2012. *Роботы. Roboty prevratyat SShA v novoho promyshlennogo lidera planety* [ Robots To Make the US a New Industrial Leader of the Planet]. 27.07. 2012

Kasmi, Elias. 2013. *4D-Printer Will Be Able to Print Self-Assembled Houses and Furniture*. In Russian (4D-принтер сможет печатать самосборные дома и мебель), March 04., 2013 <http://www.3dnews.ru/news/642262/>