

## Russian scientists warn of 'social catastrophe'

*This "Appeal of Members of the Russian Academy of Sciences Dmitri Lvov, Nikita Moiseyev, Gennadi Osipov, and Boris Raushenbakh—For Russia and Its People," was issued on April 29.*

The time has come when, for the sake of the country's future and the preservation of Russia as a single state, it is necessary to face the truth and to assess the socio-economic and socio-political situation as it really is.

The country is in danger; it is on the brink of social catastrophe. It is no longer able to feed itself, production is falling, the cost of resources is growing without interruption while their quantity decreases, and power is weakening—its instructions are not carried out. Russia's national security is threatened by unceasing territorial pretensions and the inevitable approach of NATO up to the borders of Russia. But the greatest danger for the country is the state of the people, their loss of confidence in the future and trust in the leadership, their sense of hopelessness.

Under these conditions, the confrontation of various social forces in Russian society, which is becoming more intense in anticipation of the elections for the Presidency

of Russia, aggravates the situation. The victory of any of the contending sides in these elections will inevitably lead to the imposition by force, on the other section of society, of demands it cannot accept. Confrontation in various forms, including armed confrontation, will become inevitable. None of the sides will want to yield its positions voluntarily. Discord and possible civil war will lead the country to collapse and ruin.

The only means of preserving the integrity and viability of the country is national conciliation, first of all between the two main candidates for the Presidency of Russia—B.N. Yeltsin and G.A. Zyuganov. This would mean drafting and signing a special document, according to which either of the contending sides, upon coming to power, would assume responsibility to preserve the democratic gains of the Russian people, not persecute its opponents or dissidents, reject the idea of political revenge, exclude violent and undemocratic methods of solving economic and political problems, and help to create a coalition government of national conciliation.

We sincerely hope, that upon the achievement of national conciliation, the burden of power and responsibility that will lie on the shoulders of the newly elected President of Russia, will be used not for purposes of vengeance, but in the name of Russia and for the good of its people. And we, scientists of Russia, are prepared to help in every way possible.

an economic policy, aimed at creating the conditions for economic growth.

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### The theoretical basis for a growth policy

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Based on a theory of economic growth, developed by applying modern mathematical modelling methods to empirical findings from a comparative analysis of various national economies during the twentieth century, the following practical generalizations about the current state of the Russian economy may be made.

1. Scientific and technological progress is the main factor for modern economic growth. It determines 70 to 90% of GDP growth in developed countries. Other important factors are the investment of capital into "man" (education, health care, nurturing) and productive capacities, a developed legal system, stability of the macroeconomic and political environments, and a low degree of income differentiation within the population.

2. Economic growth is uneven. In each period, there are

branches and types of industry that comprise the dominant technological structure and are the carriers of economic growth. Their expansion determines economic growth rates.

3. Economic growth is global and is determined by the competitiveness and comparative advantages of each national economy. Countries without access to the technologies of the dominant technological structure will be, as a rule, in a dependent and economically disadvantaged position.

4. Periodic "great depressions" are connected with the accumulation of structural disproportions and the exhaustion of the dominant technological structure-period. They are overcome through "constructive destruction" and modernization of the existing structure of the economy, through diffusion of innovations from the new technological structure-period. These depressions are global, and those countries that are first to overcome them greatly increase their competitive advantages.

5. Each technological structure-period has a certain structure of economic institutions and forms of organization of production. Reproduction of the modern technological structure-period is characterized by the domination of global industrial-financial groups, widespread use of state regulation of world trade and stimulation of scientific and technological