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აბსტრაქტი

პანდემიის დასაძლევად ღონისძიებების დაფინანსების წყაროების მოძიების პრობლემამ და შემდგომმა ეკონომიკურმა რეცესიამ, რომელიც დაკავშირებულია COVID-19 კორონავირუსული ინფექციის გავრცელებასთან, დააზარალა მთელი მსოფლიო. აქედან გამომდინარე, აქტუალური და მნიშვნელოვანია რუსეთის ფინანსური შესაძლებლობების შესწავლა ამ პრობლემის გადაჭრაში.

სტატია აანალიზებს ეკონომიკური რეცესიის სცენარებს და შესაძლო ფინანსურ წყაროებს, ძირითადად ეროვნული კეთილდღეობის ფონდს, რათა თავიდან იქნას აცილებული პესიმისტური განვითარების სცენარი. ზოგიერთი ფინანსური ინსტრუმენტი შემოთავაზებულია ბიუჯეტზე არსებული ზენოლის შესამცირებლად და უფრო მიზანშეწონილია გამოიყენოთ სოციალური კეთილდღეობის ფონდის სახსრები.

საკვანძო სიტყვები: ეროვნული კეთილდღეობის ფონდი, გლობალური ეკონომიკური რეცესია, ბიუჯეტის ხარჯები ეკონომიკაში, მცირე და საშუალო ბიზნესის მხარდაჭერა, რუსეთის ეკონომიკური რეცესია, მთავრობის სესხები, ბიუჯეტის ხარჯები.

TRANSFORMATION OF THE FINANCIAL MODEL OF ECONOMIC DEVELOPMENT IN THE CONTEXT OF A GLOBAL PANDEMIC

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Abstract

The problem of finding sources of funding for measures to overcome the pandemic and the subsequent economic recession associated with the spread of COVID-19 coronavirus infection affected the entire world. Therefore, it is relevant and important to study the financial capabilities of Russia in solving this problem.

The article analyzes the scenarios of economic recession and possible financial sources, mainly the national welfare Fund, in order to prevent a pessimistic development scenario. Some financial instruments are proposed to reduce the current pressure on the budget and it is more appropriate to use the funds of the national welfare Fund.

Keywords: national welfare Fund, global economic recession, budget expenditures on the economy, support for small and medium-sized businesses, Russian economic recession, government borrowing, budget expenditures.

1. Introduction

In 2020, the world has entered a new reality, which is characterized by changes in all spheres of life of the world's population. The pandemic associated with the new virus is of fundamental importance not only because of the health problems that have emerged, but also because it has led to a significant restructuring of the global economic system. In this process, each of the world's countries uses its financial resources to overcome the disease and mitigate the economic consequences of a significant decline in the economy. The deployment of quarantine measures, the closure of production and borders between countries has led to a significant increase in the instability of the world economy, a significant economic downturn and negative socio-economic consequences. All these factors make it necessary to understand the features of using the funds of the national welfare Fund as one of the most important financial sources for stabilizing the Russian economy in a situation of increasing instability of the world and national economies.

As a result of the unfolding pandemic associated with the spread of a new coronavirus infection, most countries of the world were forced to take strict measures to restrict the activities of large companies, stop the activities of small and medium-sized businesses, and close borders. These measures are coercive, lead to a contraction in demand, the closure of a large part of the service sector and the almost complete paralysis of such industries as passenger transport, tourism, hotels, catering and entertainment. A significant contraction in demand and restriction of small and medium-sized businesses, undermining their infrastructure, leads to a reduction in budget revenues and can cause a crisis in the financial sector.

2. Presentation of the main research material

Such a serious restriction of economic activity in most developed and developing countries of the world over the next 2-4 months leads to a noticeable decline in economic growth both in the second quarter and in the future for the whole year. Analysts estimate a drop in GDP for developed countries, including China, at the level of 4-4.5%, while in the first half of the year the decline may be about 10%, which is more than significant [8; 9]. In addition, in addition to the General decline in economic activity, it should be noted that the oil price has significantly and long-term declined below the level of \$ 40-50. Even despite the conclusion of the OPEC + deal and the adoption of an agreement to reduce oil production quotas by 9.7 million barrels per day from May 1, 2020, the average price of Brent crude oil remains at the level of no more than \$ 40.

Due to the scale of the ongoing recession in the world economy, many developed and developing countries have already announced huge measures to support national economies. It is worth noting that these measures are much more significant than the measures to overcome the crisis in 2008-2009.

The first package of stimulus measures of developed Western countries is currently estimated at 9-11% of

total GDP and, judging by the way the quarantine is proceeding in April-May, additional injections into the economy will soon be required, as a result of which the total amount of support will be at least 15% of GDP.

It should be noted atypical measures to support the economy, which are practiced by these countries in the current economic situation. In addition to the usual measures to support the financial sector, increase social benefits, ensure the implementation of budget expenditures and cancel part of tax obligations, the main focus of support is direct assistance with lump-sum payments to citizens who have lost their income, and small and medium-sized businesses in order to preserve their ability to quickly restore activity after the end of quarantine.

During the outbreak of the pandemic, the Russian economy faced a double challenge: on the one hand, the forced restriction of economic and consumer activity of the population, a significant reduction in aggregate demand and income, and the closure of production facilities; on the other, the compression of demand in commodity markets and a dramatic decline in oil prices, which will lead to a significant reduction in budget revenues. According to analysts, despite the agreement reached under the OPEC + deal, the average annual price for Urals oil is unlikely to exceed \$ 45 per barrel, which will lead to an imbalance in the Russian budget.

The Russian economy is expected to fall by about 3.5-5% in the first quarter of 2020, and by at least 15% in the second quarter. Taking into account the assessment of the decline in economic activity of the population and businesses, as well as based on the experience of other countries, it can be assumed that the decline in the Russian economy at the end of the year will be approximately 5% (table 1).

Table 1. Forecast of the scale of the crisis in the Russian economy

	Optimistic		Moderate		Pessimistic	
	1 half year 2020 y.	2020 y.	1 half year 2020 y.	2020 y.	1 half year 2020 y.	2020 y.
Oil, USD / barrel	31	40	24	31	19	24
Growth of the Russian economy, %	-4,2	-3,7	-5,3	-5,7	-7,5	-8,6

Source: Compiled by the author based on [7]

Due to the above factors that characterize the atypical nature of the current crisis, as well as forecasts of a potential fall in the Russian economy, it is important to say that the government will have to solve a triple task: replacing falling non-oil and gas revenues, replacing falling oil and gas revenues, and directly supporting the economy. Due to the uncertainty of the further development of the situation with the coronavirus pandemic and the likely prolonged period of low oil prices, as well as the need for direct support for the population and business, it is important to analyze the possibility of using the funds of the national welfare Fund.

The amount of funds of the national welfare Fund as of April 1, 2020 amounted to 12.8 billion rubles,

which is equivalent to 11.3% of the projected GDP. Excluding the illiquid part and funds reserved for the purchase of Sberbank shares, free funds amount to about 8.5% of GDP or 9.6 trillion rubles. With an average oil price of no more than \$ 40, based on the current budget rule, about 1.5% of GDP should be used to replace the deficit in oil and gas revenues. Also, the revenue part of the budget will lose about 2.5% of GDP, which should be used to meet spending obligations. And the announced direct expenditures of the state to support the national economy are about 1-1.5% of GDP. Further, it is worth noting that there is a possibility of a significant slowdown in the growth of the Russian economy in the next 2-3 years, which will lead to a decrease in non-oil and gas revenues in the amount of 2-2.5% of GDP per year. In addition, the national welfare Fund is unlikely to be replenished at the current cut-off price.

The above suggests that it is necessary to make an important decision on how to provide direct support to the Russian economy. On the one hand, it is possible to use the funds of the national welfare Fund, since it has real liquid funds that can be quickly used if the regulatory framework changes accordingly. On the other hand, due to the low level of domestic debt, Federal loan bonds can be placed for direct support of the national economy. Due to the compression of the stock market, the demand for sovereign debt may be insufficient, in which case a significant part of it can be taken by the Central Bank, either through direct purchases or through REPO operations with banks.

Further, it is important to consider the necessary measures and the cost of direct support to the population and businesses to avoid a deep crisis and ensure a rapid recovery of the economy in order to determine whether it is appropriate to use the funds of the national welfare Fund to Finance these measures.

In connection with the introduction of measures to restrict economic activity and the organization of a mandatory self-isolation regime, as well as the increase in prices for food products, it is necessary to take the following measures to help citizens and small businesses:

- Direct financial assistance to citizens left without jobs and means of subsistence, as well as to pensioners;
- Non-refundable subsidies for small and medium-sized businesses to pay salaries and rent.

The total cost of these measures may be about 2.5-3 trillion rubles a month, according to economists. It is worth noting that the volume of the national welfare Fund.

Due to the high cost of the proposed measures to support the economy and citizens, it seems irrational to Finance them entirely from the national welfare Fund, which will lead to its almost complete exhaustion by the end of the year. In this regard, the mechanism of internal government borrowing should also be activated through the issue of Federal loan bonds in the amount of 2-3 trillion rubles, which, due to the compression of demand in the stock market, can be purchased by the Central Bank.

Conclusion

Summing up all the above, we can conclude that due to the atypical nature of the current downturn in the Russian economy and the need to take urgent and effective measures, it seems appropriate to use the funds of the national welfare Fund to ensure the financing of the proposed measures for at least one month. If economic restrictions are extended, it will be necessary to expand domestic borrowing. These measures will help maintain employment and support small and medium-sized businesses, as well as contribute to a faster recovery of the economy in the post-crisis period.



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