Deglobalization and Consumer Security at the Present Stage of Economic Transformation

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Abstract: Disputes about deglobalization issues do not subside both in the scientific environment and at the level of the political, economic sphere, in public discourse. Many believe that globalization continues, as society lives in a common information environment. Therefore, it is necessary to give first of all the concept of deglobalization. Deglobalization, from an economic point of view, is a process of reducing interdependence and economic integration between certain units around the world, usually national states. These are such changes in the economic system when economic trade and investment between countries are declining. This process began a long time ago, but it was relatively slow, but since 2020 this process has accelerated significantly, taking into account border closures, protections, etc. At the same time, in many countries, including Russia, problems arose with the absence of some goods, raw materials, medicines, amid rising prices. Therefore, the topic of deglobalization and consumer safety is currently very relevant and requires further research and development of further actions of state authorities in the field of production and sale of consumer goods.

1 INTRODUCTION

Obviously, the world economy has entered a phase of deglobalization, as evidenced by the decline in trade ties, the growth of protectionist measures to protect regional and domestic markets, the actual rejection of WTO requirements in many countries, as well as the growth of political contradictions. But at the same time, deglobalization can have both positive and negative consequences for the Russian economy during its transformation. It can be, on the one hand, an impetus to ensure food security and, as a result of consumer security, but, on the other hand, it can cause rising prices and shortages, limited goods, and a decrease in the quality of goods in the consumer market.

Therefore, in order to maintain socio-economic and consumer stability within the country, to ensure consumer security, the issue of studying the process of deglobalization and its impact on the consumer market is extremely urgent.

The purpose of the study is to analyze the process of deglobalization and its impact on consumer security at the present stage of economic transformation.

Research tasks: describe the general situation on the world market, signs of deglobalization, assess the consequences for the consumer market; identify trends and prospects for the development of the consumer market.

2 MATERIALS AND METHODS

The work used materials of official statistics, including international statistics, reports of the Central Bank of the Russian Federation, the EAEU, the EU, the Russian Academy of Sciences, their own observations and studies of the authors on the selected topic.

The following research methods were used in the work:

- bibliographic method - monitoring of materials of print and electronic business and specialized publications,
- analytical methods - analytical market review

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based on own observations, materials of marketing and consulting companies;

▪ statistical and mathematical methods - collection and analysis of information presented on the websites of state and scientific institutions.

3 RESULTS AND DISCUSSION

There is a false idea that the process of deglobalization in the scientific community has aroused keen interest only recently. But it really isn't. Yes, in 2020, many politicians and economists started talking about this, but this process was obvious to specialists earlier. Schedule 1 clearly proves this point.
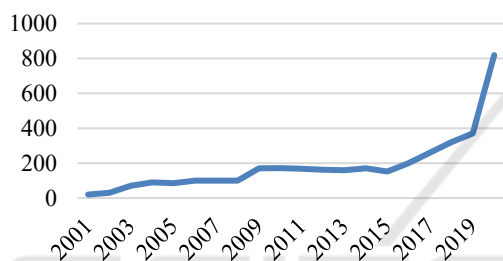

Figure 1: Frequency of use of the concept of "deglobalization" in scientific works taken into account in the database Google Scholar (Google Scholar URL: https://scholar.google.ru)

Since the neoliberal model of world exchange and production chains obviously came to a standstill back in 2008, for more than 10 years there has been a decline in the growth rate of the world economy. Every year, countries apply and develop an increasing number of protectionist measures, and the process of convergence of integration into the world trading system of the Russian Federation is becoming increasingly dubious. It is the economic model of production and sale that forms the characteristics of the consumption of goods and services *(R. A. Abdulov, D. B. Dzhabborov, O. O. Komolov, G. A. Maslov, T. D. Stepanova, 2021.).* And it is currently being transformed and adjusted to the new conditions of survival into a systemic crisis. Considering that the main mechanism of interaction between countries is export-import transactions, it is advisable to present the dynamics of trade (Fig. 2).
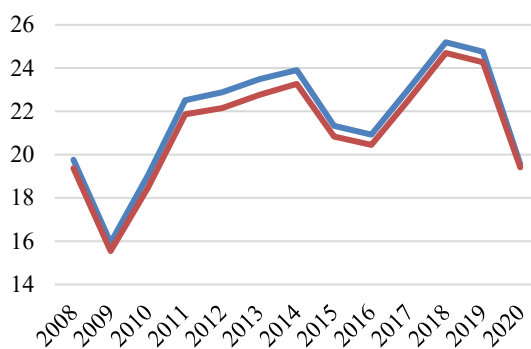

Figure 2: World exports and imports of goods and services, 2008-2021 (in trillion US dollars) (World Trade Statistical Review 2020)

Based on the data presented, it is suggested that exports and imports of goods over the past 12 years showed uneven dynamics and changed depending on political and economic contradictions between countries, as well as due to the growth of protectionist measures (Figure 3).
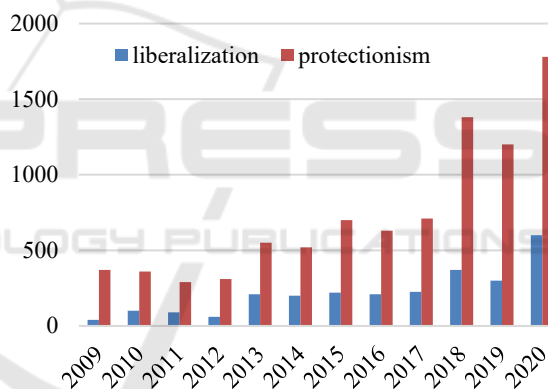

Figure 3: Trade regulation measures (Trade and tariff data, WTO)

According to Global Trade Alert, in the period from 2009 to 2020, states adopted more than 11.5 thousand measures aimed at regulating foreign trade, cross-border capital flows and migration. 3/4 of them were protectionist. *(Komolov, O. O., 2018.)*

The exchange of goods was also influenced by the decline in the world economy, both on the basis of objective and subjective reasons caused by lockdowns and quarantines in many countries, border closures.

Table 1: GDP and world trade growth forecasts, %, 2020-2021 years (European Commission. Directorate General for Communication; TNS Opinion & Social, 2015)

data source	date of publication	GDP		Trade	
		2020	2021	2020	2021
WTO (optimistic scenario)	apr 2020	-2,5	7,4	-12,9	21,3
WTO (pessimistic scenario)	apr 2020	-8,8	5,9	-31,9	24
IMF	Jun 2020	-4,9	5,8	-11,0	8,4
World Bank	May 2020	-5,2	4,2	-13,4	5,3
OZSR (base case)	Jun 2020	-4,5м	5,0"	-9,5	6,0

Thus, all international organizations predicted a decline in 2020, but a rapid recovery in 2021, but already in May 2021 it is obvious that this will not happen.

Also, the cost of goods in many countries, including the Russian Federation, was influenced by an increase in the prices of container cargo transportation, which increased by more than 5 times in several months of 2020.
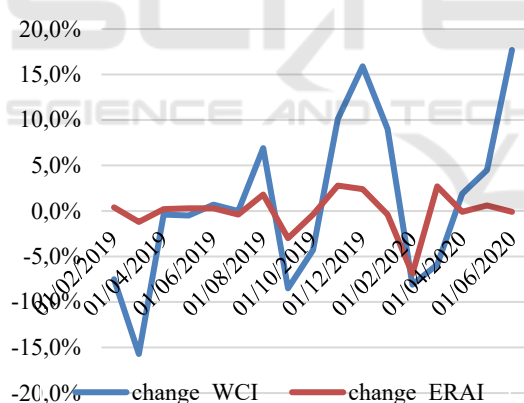
Figure 4: Movement of freight costs according to ERAI and WCI *(Deglobalization: what the global crisis will lead to, 2021).*

If by October 2020 the cost of delivering a 40-foot container from China was about 1.5 thousand dollars, now it already reaches 12 thousand dollars.

Negative economic indicators are also recorded in associations of countries. Thus, according to the EEC, the following values were recorded in the EAEU member countries (Table 2).

Table 2: Main socio-economic indicators for January - July 2020, in% against the corresponding period of the previous year (Eurasian Economic Commission, 2020)

indicator	Armenia	Belarus	Kazakhstan	Kyrgyzstan	Russia
GDP	4.9	-1.7	-1.8	-5.3	-3.6
agriculture	1.9	2.8	2.5	2.7	3.3
industry	1.3	-2.5	1.3	-0.9	4.2
Scope of construction works performed	-5.7	3.5	6.3	-27.9	-0.4
goods turnover	1.0	-7.3	-3.8	-18.0	-6.4
retail	-14.9	2.9	-11.7	-19.0	-5.8
passenger turnover	-60.3	-30.9	-51.6	-52.9	-47.4

In mid-2021, the situation leveled off slightly, but the pace remains negative. The closure of borders and the reduction of cargo flows contributes to increased attention to the strategic sectors of the agro-industrial complex and industry. The main task at the moment is to provide citizens with affordable and high-quality food products and create solvent demand in the market. To date, this task is facing many countries and will be extremely difficult to solve.

The preamble of the Law of the Russian Federation "On Protection of Consumer Rights" gives the concept of safety of goods (works, services) - this is the safety of goods (work, services) for the life, health, property of the consumer and the environment under the usual conditions of its use, storage, transportation and disposal, as well as the safety of the process of performance of works (provision of services). But consumer security involves many more aspects than the quality of goods. We will present the main ones in the context of the process of dehlabolization and transformation of the economy *(Karanina, E., Selezneva, E., Chuchkalova, S.,2020).*

1 This is the provision of solvent demand, which forms the volume of revenue in the retail market and the turnover of industrial goods, that is, it is the main driver of economic growth. We will determine the dynamics of real incomes of citizens based on the data of Figure 5.
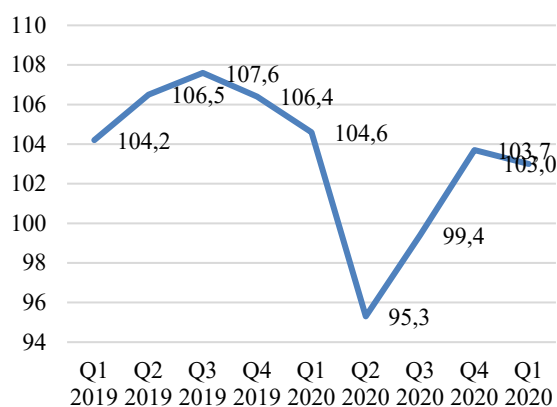
Figure 5: Rate of change in average per capita income (new methodology) (Federal State Statistics Service)

Based on the figure, it can be seen that the real incomes of the population have sown a lot, it is necessary to take into account the fact that the new calculation methodology significantly eliminates negative trends.

2 The second important factor that is most relevant at present in the consumer market is the price increase. Inflation trends are shown in Figure 6.
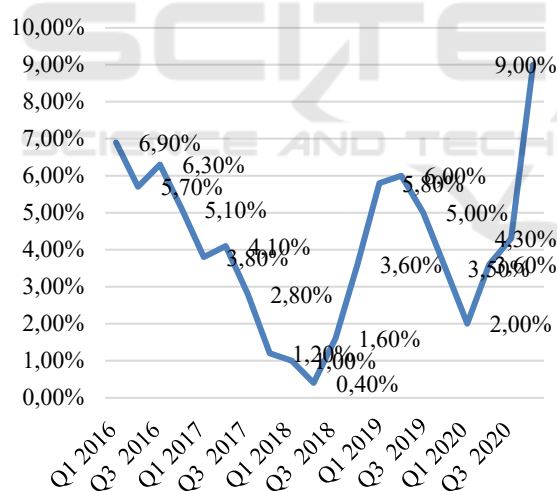

Figure 6: Food inflation for 2016 - 2020,% (Federal State Statistics Service)

Thus, there is a significant increase in food prices, which intensified in 2021. So in December 2020, President Vladimir Putin demanded to stop the rise in food prices. As a result, the following measures were taken to contain it.

▪ Freezing of prices for sugar and sunflower oil until the end of the first quarter of 2021. The Ministry of Agriculture, Minpromtorg and FAS (Federal Antimonopoly Service) concluded the agreement with producers and retail chain stores on restriction of the prices of sugar and sunflower oil.

▪ Establishment of grain export quotas. From February 15 to June 30, grain export quotas amount to 17.5 million tons. At the same time, wheat exported within the quota is subject to a duty of 25 euros per ton. From March 1, the export duty on wheat within the quota of 17.5 million will double, barley and corn exports will also be subject to duty.

▪ New mechanism of regulation of prices of socially important goods. The government can set maximum permissible retail prices for up to 90 days if socially significant products have risen in price by 10% or more within 60 days *(Karanina, E., Selezneva, E., Chuchkalova, S.,2020)*.

3. For consumer security, an important factor is the information component of the consumer market. Panic sentiments repeatedly led to empty shelves in stores, caused even more excitement for sugar, buckwheat, salt and even toilet paper. Many information stuffing is targeted, with organizers pursuing both economic and political goals. For example, at the beginning of 2021, information was repeatedly thrown in on rising prices for clothes, shoes and accessories either by the summer or by the autumn-winter season of 2021.

4. The fourth factor in consumer security is competition in the retail market. The main indicators of retail chains are presented in Table 3.

Table 3: Operating indicators for 2020 of major retail chains (Russian Foreign Trade Statistics)

indicator	«Lenta»	«Magnit»	X5	O'key
Revenue of the Q4 2020, million rubles.	124 786	407 227	527 091	48 939
QoQ/QoQ increase,%	5,85	10,60	12,33	6,04
Revenue 2020, million rubles.	444 278	1 553 777	1 976 357	172 738
Increase YoY,%	6,41	16,81	13,95	4,64
LFL selling 2020 г., %	5,4	7,4	5,5	5,4
LFL traffic 2020 г., %	-5,5	-5,9	-6	-10,7
LFL average bill 2020 г., %	11,6	14,1	12,2	18
sales area 2020 г. , sq.m	1518598	7497000	7840000	599536
Change of sales area for the year, %	1,95	4,10	8,30	0,21

It should be noted that the main indicators of retail chains in terms of revenue and retail space have been declining since Q3, 2015. The main factor of the decline is the lack of growth of solvent demand of the population. This changed the structure of retail formats. Large supermarkets become totally unprofitable and chains mainly switch to the format "at home," or small wholesale stores. The only two chains that announced profits in 2019 were Bristol and Red and White, which is associated with a small area of stores and mainly alcoholic beverages.

The decrease in solvent demand led to an increase in chains and reductions in stores (Table 4).

Table 4: Number of business entities in trade (Federal State Statistics Service)

Quantity, thousands of units	2017	2018	2019	%	+-
Wholesale and retail trade organization; Repair of motor vehicles and motorcycles	1465,1	1280,2	1084,2	74,0	-380,9
including:					
wholesale and retail trade in and repair of motor vehicles and motorcycles	126,6	117	103,3	81,6	-23,3
wholesale and retail trade in and repair of motor vehicles and motorcycles	1011,3	872,8	726,5	71,8	-284,8
retail trade other than motor vehicles and motorcycles	327,2	290,3	254,5	77,8	-72,7
Individual entrepreneurs in retail trade other than motor vehicles and motorcycles	1294,3	1258,2	1191,4	92,0	-102,9

Today, against the backdrop of an outflow of customers and a decrease in demand, grocery retailers are changing their assortment policy and optimizing the matrix. At the same time, companies strive to find the most optimal approaches to portfolio management. With the help of a well-selected assortment, networks can not only increase their trade turnover, but also strengthen their market position. So, according to the Lenta network, the assortment of a standard store is about 13-15 thousand items (before the crisis there were 35-50 thousand).

5. The problem of quality and falsification is a serious problem in the consumer market. Despite the apparent abundance, the quality of goods in almost all retail chains leaves much to be desired. Counterfeit food products are high. In addition, the turnover of non-food counterfeit products in the Russian Federation last year amounted to about 5.2 trillion rubles. based on data from Rospotrebnadzor and Rosstat. This is comparable to 4.7% of the country's GDP. In general, almost 30% of non-food everyday goods sold in Russia turn out to be counterfeit.

ACKNOWLEDGEMENTS

4 CONCLUSIONS

Thus, in the consumer market, taking into account the influence of world economic processes and dehlabolization, there are the following transformation trends that affect the level of security:

▪ the impact of global negative trends, namely unreasonable emissions, global inflation, competitive wars and reduced investment efficiency;

▪ inflation in the domestic market;

▪ reduced assortment due to lack of solvent demand and irregularities in supply chains;

▪ changing service delivery formats;

▪ concentration of trading business;

▪ control of state corporations in retail both real and electronic;

▪ Strengthening government control, including through IT technology.

Thus, the main task that the consumer market and the Government of the Russian Federation will face is to ensure solvent demand. At the same time, rather stringent market regulation measures will be used in relation to prices, providing regions and individual

networks with food. Perhaps a decision will be made to create separate state stores for poor citizens and citizens with children. According to the logic of things, this will need to be done in the conditions of falling incomes. Only this factor can include the "Mokhovik" of the real economy, increase employment and real incomes of the population.

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