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## RUSSIA'S ECONOMY UNDER PRESIDENT PUTIN

As history of Soviet economy shows, since the creation of the USSR till its collapse it has been proving to economists and scholars that the socialist nature of Soviet economy was compatible neither with laws of nature nor with those of the world economy. Therefore, the former British Prime-Minister Mrs. Thatcher's prophecy about the Soviet socialism being the enemy and opium of the people was correct.

Under President Putin the Russian economy is going through liberal and neo-liberal evolutionary stages of trying to imitate the Western economy. It's precisely there that resides its biggest mistake since Russia couldn't have begun where the West had started two centuries ago. Unfortunately President Putin can't undo the past of Russia's economy by trying to pursue free market perspective with his neo-liberal approach. Current economic reforms and visions are out of touch with realities and couldn't have been easily accepted domestically. At the same time they are not very keen with the West. Risks for Western interests in Russia are considerable: poor modern infrastructure, slow and unreliable transportation, outdated communication systems, corruption, backward banking system and the rise of the new breed of mafia. In other words, the West doesn't trust Russia.

Current Russian economy must be given some credits for its stability and internal developments. However, it still remains very inefficient and corrupt.

To conclude, Russia's economy under President Putin is a great disappointment for many ordinary Russians but is an open opportunity for some national and international companies.

Since current reforms in economic sphere are of evolutionary character and beyond rational comprehension it's difficult to have a full picture of President Putin's vision. Nonetheless it's possible to formulate some probable scenarios for future developments. The Putin administration may:

- Keep and encourage market and finance stability avoiding any financial crash which would result in damaging social and military instability.
- Take a "wait and see" approach to further privatizations.
- Work cooperatively with Russian elite groups.
- Encourage private economy, agriculture and cut down on military budget and production.
- Russia must look at Europe and start preparing itself for economic partnership with it.
- Encourage globalization and be realistic in negotiations with the WTO.
- Learn from the Western economic mistakes and promote full independence of the Central Bank of Russia in its decision-making.
- Restructure the educational system of Russia especially in the realm of economy and finance taking advantage in partnership with international economic schools.
- Prepare future generations of elite to run Russia's high potential economy.
- Work with and not against the West (but not for the West) spreading its investment to new areas in Asia and other continents thus avoiding total reliance on the West.