

A SCIENTIFIC-PRACTICAL CONFERENCE ON THE DEVELOPMENTS AND PROSPECTS OF RUSSIA WAS HELD IN SOCHI¹

The undersigned visited Sochi, Russia at the invitation of the Rector's Office of the Kuban State University from 28 January to 01 February 2015, to participate in the international scientific-practical conference with largely economic policy orientation, on the general subject „Economic Development of Russia: Systemic Restrictions and Global Risks“. It was a gathering of mainly Russian economists and partly also specialists of the practical field. Organisation of the conference was initiated by the Faculty of Economics of the Kuban State University, with the following co-organisers: International Association of Institutional Studies, Finance and Credit Publishing House, Southern Section of the Development of Economics, Department of Social Sciences of the Russian Academy of Sciences, and Krasnodar Branch of the M. V. Lomonosov Moscow State University Social Sciences.

The conference started with a four-hour panel discussion with the participation of eight presenters/discussants (seven from Russia and one from Estonia): the Russian professors **J. A. Arkhipov** (Southern Federal University), **I. D. Afanasienko** (Saint Petersburg State University), **A. V. Buzgalin** (Moscow State University), **O. G. Golitchenko** (Central Economic Mathematical Institute of the Russian Academy of Sciences), **N. G. Kuznetsov** (Rostov State University of Economics), **O. J. Mamedov** (Southern Federal University), **M. L. Hazin** (Neokon Expert Consulting Company Neokon) and **M. Raudjärv** from Estonia (University of Tartu).

The discussion was in Russian and was chaired by professors **I. V. Shevtshenko** (Kuban State University) and **V. T. Riazanov** (Saint Petersburg State University). Discussions, questions and answers were interesting and varied. They focused above all on the situation that had developed and on how realistic any development and growth of Russian economy would be in the next few years. Matti Raudjärv treated the problems above all from the positions of Estonia and the EU. In addition to the panel discussion four round table discussions were held and presentations were made. The subject of the undersigned was „Economic relations between Estonia as an EU Member State and Russia“.

A number of complex and multifaceted statements were made during many discussions, the **six most important** of which were the following:

- The world is different and malicious today!
- Russian economy is like a „bucket with holes“ to which more water is constantly poured – but many people are surprised that the water level will not rise and the bucket cannot be filled.
- In Russia the hopes are for the development of the military-industrial complex (high technology). It is not good to focus on only that area as also other economic sectors need to be developed. But it is good that at least

¹ The text has been abbreviated here in comparison with the Estonian text.

military industry receives any attention – something may move from that high technology to also other sectors!

- Increasingly deeper signs of crisis are evident in the Russian national economy – people with good education, qualified people and people who speak foreign languages are increasingly leaving the country, capitalisation of enterprises decreases, rouble is losing its value, prices are increasing and the real income of the population is decreasing; allocations to the social sphere, education and research have been frozen or decreased.
- Crisis management programme for Russia – since it had been recently adopted, the participants were cautious and not optimistic about it (MR: It would be necessary to process more raw materials and create new value, and export less raw materials. This, however, has been characteristic of both the former Soviet Union and current Russia!).
- It would be necessary to make numerous changes in the administration and government of Russia, otherwise there would be no positive developments.

In conclusion, the Sochi Conference was rich in content and involved a lot of work and was carried out in a relatively critical-constructive spirit which provided a rather good overview of the current economic situation and expected prospects of Russia. There were also numerous interesting meetings and talks with existing and new colleagues from Russian universities. There were approximately 200 participants in the conference (some of them had sent only the theses of their presentation to the organisers), among them numerous doctoral students from Russia. The organisation of the conference and the reception were smooth and excellent.

In addition to everything else it was possible to visit some of the Olympic buildings and structures at Sochi-Adler and Krasnaya Polyana. The accommodation and conference work took place at the wonderful Bridge Resort Hotel, Conference and Spa Complex with excellent service in the Olympic Park built for the Winter Olympic Games of Sochi 2014.

In January–March, 2015

Sincerely, Matti Raudjärv