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2010 Filled by Empty Words, Empty Dreams

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In all the years that I have been writing this column, I've never seen a year more lacking in economic developments than 2010. "Like an empty dream," as Alexander Pushkin once wrote.

While growth was slow in comparison with other BRIC countries, high oil prices and the lack of state debt meant that the authorities didn't have to worry too much over current budgetary problems. The government did not implement a single economic reform during the past 12 months, and all the hype over modernization remained empty words.

Tacitly underscoring the poor state of affairs, Central Bank officials made fewer official statements than usual about their strategies and goals. The utterances they did make, however, might lead listeners to conclude that they had forgotten that the primary cause of inflation is the monetary policy set by government financial institutions.

Of course, the news was not all bad. Entire industries such as construction, ferrous and nonferrous metals grew rapidly in 2010 and have almost returned to pre-crisis levels. The fact that Mail.ru and Wimm-Bill-Dann were sold for top dollar to foreign investors ranks as an

unqualified success for their owners and proves that Russian businesses can achieve world-class standards.

What's more, Oleg Deripaska deserves credit for having kept RusAl intact as a single company, while Finance Minister Alexei Kudrin deserves some praise for fighting increases in budgetary expenditures.

There are both internal and external reasons for 2010 having been an "economically empty" year. Prime Minister Vladimir Putin, the main political figure in the country, and his inner circle became tired and somewhat less edgy. Eleven years at the helm is a very long time for a leader — regardless of whether he is a democrat or dictator.

Most of the leadership's efforts in 2010 were focused on waging an "image war" designed to win popularity at home and loyalty from the near abroad, with the result that neither time nor energy were left to conduct the business of managing the economy.

Now one question remains: How many such "empty" years must we endure before leaders realize that, economically speaking, no news is bad news?

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