The Moscow Times
30 YEARS
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Study: Popular Discontent Might Affect Economic Development

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January 22, 2013



How popular discontent will play out is one of the key uncertainties that the World Economic Forum identified for Russia's long-term economic development in a report released Tuesday.

Attendees of the annual forum in Davos, Switzerland, which opened Tuesday, are set to question Prime Minister Dmitry Medvedev about this and the report's findings, the forum said in a statement.

In a report titled "Scenarios for the Russian Federation," the forum also names two more potential game-changers: major shifts in global energy trade and Russia's ability to reform its institutions.

The conclusions of the research will come up for discussion at a Wednesday session led by Medvedev.

"During the session, Prime Minister Medvedev will answer related questions from the audience as well as from social media users worldwide," the forum said.

In addition to street protests, which have become the hallmark of domestic politics, the report also examined the surge in U.S. shale gas production and Russia's institutional environment, stating that the country appeared to have made little headway against corruption despite a significant rise in per capita wealth over recent years.

Depending on how the situation unfolds, the report outlines three scenarios to challenge thinking about Russia's economic development through 2030.

"We believe 'Scenarios for the Russian Federation' delivers an accurate portrayal of the challenges facing Russia," Borge Brende, a managing director at the World Economic Forum, said in the statement. "We hope it provides policymakers and planners with insights they can use to optimize the country's long-term development."

One outlook, called regional rebalancing, stipulates that unexpected sources, such as the resourcefulness of the country's regions, will drive economic change. Institutional reform will progress mainly at the regional level and stagnate at the national one.

Another scenario, called precarious stability, explored the consequences of a sudden and sustained drop in oil prices, concluding that the government would likely choose to preserve economic stability over reform in a time of crisis.

In the third possibility envisioned in the report, beyond complacency, high oil prices stall institutional reform while popular discontent grows as a result of inefficiency in the provision of public services.

The report is based on in-depth research and interactive discussions with over 350 industry, policy and academic experts from Russia and abroad over the past 12 months.

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