

Left-Wing Economist Touts Bigger State Role as His Clout Grows

By [The Moscow Times](#)

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A group of scientists at the Russian Academy of Sciences headed by left-wing economist Sergei Glazyev proposed that the Kremlin declare a moratorium on privatization and increase the government's role in the Russian economy, Vedomosti reported Thursday, citing a copy of the group's recommendations.

Glazyev, who also serves as presidential economic adviser, has gained political clout recently and accused the West of trying to turn Russia into a financial colony. In February, he was named one of the contenders to become head of the Central Bank.

In the recommendations submitted to the presidential office, the authors blame privatization and liberalization for the slow pace of economic modernization.

Glazyev's group called for a rejection of "the dogmatic concepts of the absolute advantage of private over state property," and it emphasizes the alleged role of the state in generating

economic growth amid global financial instability, Vedomosti said.

To support their case, the authors cited the example of the industrialized countries from the 1930s to 1950s, which, in the face of a global economic crisis, nationalized large parts of their economies and introduced centralized management to achieve technological breakthroughs.

To increase the government's role in the economy, Glazyev's group proposes reversing the policy of replacing government officials in state corporations with independent directors, the report said.

The authors say privatization is counterproductive because it hampers the emergence of industry leaders to spearhead the economy. They advocate further consolidation of state companies into big conglomerates that would be competitive globally.

Former Finance Minister Alexei Kudrin said proponents of the Soviet school of economic thought, including Glazyev's group, are wrong when they push for a bigger government role in the economy. He said state investments should grow, but their contribution to economic growth is decreasing, Vedomosti reported.

Government sources doubt that the concept drafted by Glazyev's group will determine actual economic policy.

Presidential spokesman Dmitry Peskov said earlier that the group's work was mostly of theoretical value, Vedomosti said.

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