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Kudrin to Putin: Save Russia From 5 Years of Stagnation

By The Moscow Times

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Former Finance Minister Alexei Kudrin on Tuesday predicted 5 years of stagnation for Russia's economy and urged President Vladimir Putin to use the sky-high rating he has earned on the back of the Ukraine crisis to push through economic reforms.

"From 2012 to 2018 economic growth will be 1.5 percent [per year], in the best case — 2 percent," Kudrin said at a round table discussion devoted to the 15th anniversary of Putin's first presidential election victory in 2000, news agency RBC reported.

"We will emerge from the crisis into economic stagnation. Structural reforms were not done in time. This is the most serious challenge facing the president — a stagnating economy at least for the next five years," he said.

Kudrin, a widely respected finance minister from 2000 to 2011, said Putin could use his huge political popularity to drive a reform agenda.

"Global leaders' high ratings are a basis for trust and to conduct reforms," he said.

"If this rating is not used to push through reforms it will be just a rating for the sake of a rating."

Putin's approval ratings spiked to over 80 percent last year on a wave of patriotic fervor after Russia annexed Crimea from Ukraine. His high approval rating has held, even as Western sanctions over Ukraine combined with a fall in the price of oil to shatter Russian economic growth.

Russia's economy has slowed steadily since 2013 as the effect of the oil price boom in the 2000s petered out and structural problems hampered the emergence of other economic drivers. Analysts expect Russia's economy to contract by up to 5 percent this year.

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