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Kudrin: Russian Government Hasn't Adjusted to Economic Reality

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Former Finance Minister Alexei Kudrin **Maxim Stulov / Vedomosti**

Former Finance Minister Alexei Kudrin said that Russia's authorities still haven't adjusted to the new economic reality.

"The price of oil fell, we don't have enough income, and there are problems with growth factors," Kudrin told his audience at the Center for Strategic Research on Monday.

"We learned to easily manage money when there was an abundance of it; what I want to say now is that neither the country's leadership nor the ministries understand that we have moved into a new reality," he added.

Kudrin also said that in recent years the growth rate of Russia's economy was less than 1 percent, and that it would remain around 1 percent until 2020.

In late September, Kudrin said that in order to improve the performance of the Russian economy, the state budget should reallocate more funds into education, health, and

infrastructure, amounting to 1 percent of the GDP. He also recommended that the state develops non-resource exports so as to reduce dependency on oil and other natural resources.

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