

# Where will russia be in the year 2050

[Literature](#), [Russian Literature](#)



(Assignment) Where will Russia be in the Year 2050? Despite the past up and down economic fluctuations, recently, Russia has become one of the leading economies in the world. Currently, it is the sixth largest economy in the world in terms of purchasing power parity and eleventh largest in terms of nominal value. It is interesting to foresee what economic position Russia would gain by 2050. The collapse of Soviet Union in 1991 was a major event in the history of Russian economy. Since then, Russia has been trying to develop a market economy that would ensure consistency in economic growth. In 1991, Nikolayevich Yeltsin, the first president of the Russian Federation, announced that Russia would follow a radical as well as market-oriented reform along with the elements of ' shock therapy' (Basic Information on Russia). However, Yeltsin's policy resulted in the economic collapse of Russia, which pushed millions of people into poverty. The removal of soviet price controls and 1998 Russian financial crisis resulted hyperinflation in different times. During this period, corruption and crimes immensely spread across the nation and worsened the situation. The Russian economy underwent severe difficulties during its transition from a centrally planned economy to a free market system. However, Russia could effectively overcome the serious financial crisis in 1998. During 2000-01, the country met its extra debt services, made huge advance payments on IMF loans, and also built up Central Bank reserves. In 2002, large current account surpluses considerably improved the trade and industry of the nation. As a result of higher Ministry of Finance and Eurobond payments, the country's debt rose to \$19 million in 2003. The Russian government established the Stabilization fund of the Russian Federation in 2004 with intent to address oil price falls.

This provision brought fruitful outcomes to the Russian economy during the past few years. Vladimir Vladimirovich Putin became the president of Russia in 2000 and he continued until 7th May 2008 by winning the 2004 presidential election also. Under his period, Russia achieved tremendous economic growth. The nation's real GDP growth for the last 10 years was 10% (2000), 5.1% (2001), 4.7% (2002), 7.3% (2003), 7.2% (2004), 6.4% (2005), 8.2% (2006), 8.5% (2007), 5.2% (2008), -7.8% (2009), and 4% (2010) (Global finance). Although the 2008-09 Russian financial crisis shook the economy, the present signs show that the country recovers faster. When many of the rich economies still struggle with 2008 global crisis, Russia's faster recovery predicts a prosperous future for the country. The Russian economy successfully overcame the 1998 crisis. Subsequently, unemployment rate got decreased, and investment, production, and consumption got expanded. At the same time, the country has begun a series of fruitful economic reforms including enactment of fundamental tax reform and strengthening its banking system. Although, these improvements are potential enough to stabilize the future growth of Russian economy, the nation would face severe issues if it happened other way. The present trends show that the country maintains a promising GDP growth and a positive balance of payments; they would greatly contribute to the economic future of Russia. In addition, as reported in World Economic Forum, Russia keeps a potential collection of untapped energy resources, sustainability in low interest rates, strength in currency, and abundant liquidity. These economic features have the ability to raise Russia to the world's top by 2050. The country's inflation rate was very high (14.1%) in 2008 whereas, it fell to 11.

7% and 6.9% in 2009 and 2010 respectively. The huge decrease of inflation rate from 14.1% in 2008 to 6.9% in 2010 indicates the strength of the country's economic policies. Similarly, Russia also maintains a satisfactory employment rate over the past few years; the unemployment rate of the country was 6.4%, 8.4%, and 7.5% in 2008, 2009, and 2010 respectively (World Economic Forum). It seems that the nation's banking system is very strong and therefore it can effectively respond to economic contingencies. Since Russia is the world's largest country in total area, it has the opportunities for further business expansion. However, the 2050 Russian economic status would also depend upon the political future of the nation. Although, the banking system and other promising economic features stabilize the nation's economic growth, rigorous stock market regulations remain as a potential growth hurdle. From the above discussion, it is clear that the Russia possesses ranges of potential economic features that would lift the country to the world's top by 2050. The period of Putin's presidency witnessed tremendous economic developments. Now the country has the potential to par with the economic status of any other developed country. If no other unforeseen contingencies occur, by 2050 Russia will be the most powerful nation in the world in terms of money and political power.

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