Summary

The topic of this thesis is Possible consequences of international economic sanctions for Russia in the current geopolitical situation.

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The relevance of the research topic is based on the fact that the present study describes one of the most significant structural problems of the modern Russian economy, which became extremely urgent due to the events of 2014 – 2015. We also suggest alternative ways out of this situation in the present thesis.

In the present research we tried to approach the issue of estimation of the external economic policy of the Russian Federation most objectively, as we consider that economists’ goal is to be able to identify the problems and prospects, analyze the reasons and suggest alternative ways of solving the problems.

Flexibility of the modern economic course development gives us the opportunity to forecast, as well as suggest solutions which makes our research extremely relevant from a practical standpoint.

The objective of the research is to expose the reasons of the Russian economy’s main problems under the circumstances of international economic sanctions, define the consequences of international economic sanctions for the economy of the Russian Federation and give ways to solve the problems.

The research tasks are
- to study the world practice of international trade restrictions;
- to define the level of dependency of the Russian economy from international trade;
- to consider consistently the timeline of imposing international economic sanctions in relation to Russia and Russia’s response sanctions in relation to the European countries and the USA;
- to expose the most import-dependent industries of the Russian economy;
- to estimate the changes that occurred in the Russian economy due to the international economic sanctions and the response sanctions;
- to examine possible ways of economic recovery for Russia.

Scientific novelty of the present study resides in the fact that the given topic has not been fully covered in the papers of Russian and foreign scholars, whereas this research has given ways of overcoming the current situation. Consequences have been identified and studied, ways of economic recovery have been suggested.

Structure of the thesis reflects the order of carrying out the study. The thesis consists of the introduction, two chapters each of which is divided into three paragraphs, the conclusion and the reference list including 144 sources 21 of which are in English. There are 68 pages of script. The work is completed on 86 sheets, it includes 4 tables, 4 graphs and diagrams and 2 appendixes.

Summary:

In the given thesis we tried to research one of the most serious and acute issues in the modern Russian economy which is consequence of imposing international economic sanctions and counter-sanctions.
The economic development of Russian and its social sphere greatly depend on the sanctions and the government of Russia is looking for the ways of overcoming the present situation. In the present research work we attempted to propose ways of economic recovery of Russia, as we would like to see Russia in the list of economically developed countries with high standard of living, integrated in international trade.

There is a whole range of aspects of the economic crisis of 2014-2015 in Russia. In the thesis we would like to cover these aspects, based on the data of official statistics and current economic figures.

In the given paper we study the timeline of imposing international economic sanctions in relation to Russia and counter-sanctions imposed by the Russian government. One of the most common viewpoint is that the Russian economy suffers mainly because of the sanctions imposed by the western countries. However, if we look at the timeline of sanctions and counter-sanctions, we will see that the real situation is different. Sanctions first imposed by the western countries were merely personal sanctions aimed at some representatives of the Russian political elite, as well as some companies.

We study the dependency of the Russian economy on international trade in this work. This is an important issue, since it defines the methods of overcoming the crisis. The analysis carried out on the basis of statistics data, budget data of the Russian Federation allows us to talk about a high level of dependency of the Russian economy on export of energy sources to the European countries. We also note a high level of dependency of the Russian economy on import of highly technological equipment. Besides, the import component is deeply integrated in many industrial chains of production of Russian goods. Such state of affairs allows us to say that any external trade restrictions will have a negative impact on the Russian economy, on its innovation potential.

In the course of the given research we came to the conclusion that the process of import substitution in Russia may be successful only if implemented gradually and consistently. Drastic economic restrictions in this relation can have negative consequences, since import dependency in Russia is high. This dependency can be noticed not only in the sphere of goods, but also in production chains. Thus, even goods produced in Russia often contain import component in their cost, since imported components, equipment, chemical materials are used in the course of production.

In this research paper we consider influence of currency rate changes on the prospects of the Russian economy. Decreasing rate of ruble in relation to dollar and euro leads to increasing cost of import component in production chains of Russian goods. And this in its turn makes the prices increase even higher.

In the given paper we suggest a range of steps that can be taken to overcome the crisis. One of such steps is general liberalization of the economy and abandoning the policy of external trade restrictions. In our viewpoint, it is important to decrease tax burden in order to activate Russian business. It is important to say that Russian government takes certain steps in the direction of decreasing tax burden. We believe that it can lead to significant results in the nearest future.

Also lowering the bank interest rate, fighting corruption, creating independent judicial system and providing entrepreneurs with guaranty of inviolability of private property are important tools to improve investment climate inside the country.