

Regions Have Key Role to Play in Driving Russia ' s Growth

21 October 2013

Oliver Cann, Associate Director, Media, Tel.: +41 (0)79 799 3405, E-mail: oliver.cann@weforum.org

- Over 200 leaders from government and business met in Moscow under the theme, Russia ' s Regions: Drivers of Growth
- Discussion built on analysis developed in the World Economic Forum ' s report *Scenarios for the Russian Federation*
- Meeting is second to be held in the Russian capital in consecutive years

Moscow, Russian Federation, 21 October 2013 – Harnessing economic dynamism in Russia ' s regions offers one of the brightest prospects for establishing sustainable, long-term growth in the country, according to the 200 leaders from government and business who took part in the World Economic Forum Moscow Meeting yesterday.

The meeting, convened under the theme, Russia ' s Regions: Drivers of Growth, saw participants develop a thesis set out in a Forum publication, *Scenarios for the Russian Federation*, which was presented to Prime Minister Dmitry Medvedev earlier this year at the World Economic Forum Annual Meeting in Davos. The report highlighted the potential of Russia ' s regions to serve as unexpected drivers of institutional and economic reform.

“ Discussions about Russia ' s institutional reforms often focus overwhelmingly on Moscow. Today, Russia ' s regions have demonstrated very solid progress on the path to reform and this bodes well for the long-term economic prospects of the country, ” said Anastassia Aubakirova, Director and Head of Eurasia at the World Economic Forum.

Participants were joined by six regional governors as well as senior members of the Federal government. Among the best practices discussed were:

- Massive upgrading of educational and training institutions to provide a skilled workforce for new industries such as pharmaceuticals and automobiles, and the creation of a regional development agency to cut excess red tape in Kaluga region
- Empowering local trade bodies to promote and protect entrepreneurialism while introducing local accountability for municipal heads in Voronezh region
- Reducing the number of public servants and introducing greater scrutiny while improving pay to cut down on corruption and boost responsiveness in Tula region

The ideas and actions generated at the meeting will form part of an ongoing initiative by the Forum ' s [Global Agenda Council on Russia](#) to collect best practice reforms from individual regions that can be implemented countrywide.

According to Aleh Tsyvinski, Arthur M. Okun Professor of Economics, Yale University, USA, and one of the lead authors of the report, the key takeaway from the meeting was the need to look beyond Moscow for evidence of institutional reform. “ The improvement of Russia ' s institutions is the most prominent and important challenge for Russia right now: regions can play an important role in this change and present an excellent opportunity to deliver long-term, sustainable growth, ” he said.

The mood was echoed by Alexey Kudrin, Professor and Dean, School of Liberal Arts and Sciences, Saint Petersburg State University, Russian Federation, who is also Chair of the Global Agenda Council on Russia:

“ Russia has only been enjoying a market economy for a decade, but we have achieved a lot in this time. Now, our oil-based economy needs to give way to an ecosystem that is able to mobilize all the country ’ s resources. To do this, we need to improve institutions now. ”

Igor Shuvalov, First Deputy Prime Minister of the Russian Federation, agreed that the time is right for regions and municipalities to have more powers, but cautioned against wholesale change: “ All actions can be implemented, but we must not sacrifice the progress we have accumulated up until now. ”

Commenting on the pace of reform, Aleksey Gordeev, Governor of Voronezh Regional Administration, Russian Federation, summed up the discussion on an optimistic note: “ I ’ m absolutely confident that we have the management teams at the regional and federal levels to advance our economy significantly. There is a saying in Russia that we harness horses for longer, but we ride very fast. ”

Notes to Editors

- Follow the World Economic Forum at www.weforum.org
- View photos at <http://wef.ch/pix>
- Follow the Forum on Twitter at <http://wef.ch/twitter> and <http://wef.ch/livetweet> (hashtag #WEF)
- Read the Forum Blog at <http://wef.ch/blog>
- Become a fan of the Forum on Facebook at <http://wef.ch/facebook>
- Follow the Forum on Google+ at <http://wef.ch/gplus>
- Follow the meeting on iPhone at <http://wef.ch/iPhone>
- Download the Media App at <http://wef.ch/publicapps>

The World Economic Forum is an international institution committed to improving the state of the world through public-private cooperation in the spirit of global citizenship. It engages with business, political, academic and other leaders of society to shape global, regional and industry agendas.

Incorporated as a not-for-profit foundation in 1971 and headquartered in Geneva, Switzerland, the Forum is independent, impartial and not tied to any interests. It cooperates closely with all leading international organizations (www.weforum.org).



World Economic Forum, 91-93 route de la Capite, CH-1223 Cologny/Geneva
Tel. +41 (0)22 869 1212, Fax +41 (0)22 786 2744, <http://www.weforum.org>