



ATTITUDES OF THE RUSSIAN FEDERATION TOWARDS THE PROPOSALS OF THE FORUM FOR THE 21ST CENTURY

1ST PROPOSAL OF THE FORUM:

In the time span of seven forthcoming years, the tariff restrictions on import of agricultural products from the developing countries should be removed completely. Already benefiting from extensive subventions (doubled in the case of EU member countries), agricultural production in developed countries holds twice the advantage on the world markets. As the world food prices soar, Forum considers the suspension of subventions and removing tariff restrictions as one of the most reasonable ways to stop the steep increase in food price levels that endangers the already troublesome access to nutrition in the poorest regions of the world. Furthermore, it would provide developing countries vital incomes to spur their progress and at the same time cheaper food in developed countries.

ATTITUDE OF THE RUSSIAN FEDERATION TOWARDS 1ST PROPOSAL OF THE FORUM:

The Russian federation understands the contribution to the developing countries that would result from the suspension of subventions in developed countries and the removal of tariff restrictions on the import of agricultural products from the developing countries. However, it is appropriate to pose a question, whether the removal of the aforementioned obstacles in the course of seven forthcoming years is not a too optimistic suggestion. It is necessary to realize that agriculture is a sector of economy in which it is very difficult to predict the production in a particular year, because of the influence of such factors on future output that could not be affected by farmers. At the same time, it is necessary to realize that also the influence of these factors consequently contribute to the world food prices. Moreover, it is necessary to ask a question, how would the removal of tariff restrictions on the import of agricultural products from the developing countries affect the agricultural sector in developed countries. Considering these facts, Russian federation highly recommends to reopen the negotiations to this issue.

2ND PROPOSAL OF THE FORUM:

Of the main imbalances present in the world economy, Forum finds China's long-term trade surpluses and, on the other hand, US trade deficits the most pressing one. Yuan, China's national currency is considerably undervalued compared to US dollar. Taking this into consideration, it is apparent that China's exports hold unfair advantage in the world trade. Moreover, the amount of Chinese monetary reserves in US dollars creates the unprecedented situation when the exchange rate of the main world reserve currency, that US dollar still remains, could be significantly influenced by the economic policy of China. Therefore, Forum suggests that China, as well as some other Asian countries, namely Japan and South Korea; stop intervening in favour of keeping the exchange rates at artificially low levels.

ATTITUDE OF RUSSIAN FEDERATION TOWARDS 2ND PROPOSAL OF THE FORUM:



The Russian federation apprehends the consequences of imbalances that are present in the world economy, and is aware how keeping the exchange rates at artificially low levels influences the world economy. Nowadays the tendency towards the increase in economic interdependence, i. e. interconnection of particular economies, is not only bringing them benefits, but is also exposing them to certain risks. Apparently, the amount of Chinese monetary reserves in US dollars creates the unprecedented situation when the exchange rate of the main world reserve currency, that US dollar still remains, could be significantly influenced by the economic policy of China. With respect to this, it is appropriate to pose a question, what implications it would bring to the world economy if China was to dissolve its foreign exchange reserves. Regarding the delicacy of this issue, the Russian federation considers the reopening of dialogue to this issue on the level of world powers necessary.

3RD PROPOSAL OF THE FORUM:

Forum for the 21st Century recommends that, in the global dispute over the sources of energy greater space is given to scientists who oppose pessimistic scenarios concerning the depletion of conventional sources of energy. Existing scientific studies, which question the pessimistic scenario accepted worldwide without contradicting voices being heard, provide us with a different perspective regarding the future use of energy resources. Using financial resources and scientific capacities to further improve efficiency of already existing facilities is substantial. Funding the development of alternative sources of energy should be done based on both environmental and economic arguments. Forum regards reopening the debate on the use of nuclear energy highly essential. Thermal energy should be taken into consideration as a cheaper alternative to solar and wind energy, where possible, as well.

ATTITUDE OF RUSSIAN FEDERATION TOWARDS 3RD PROPOSAL OF THE FORUM:

The Russian federation appreciates the recommendation to give greater space to the scientists who oppose pessimistic scenarios concerning the depletion of conventional sources of energy in the global dispute over the sources of energy. From the point of view of the Russian federation, in every discussion it is inevitable to listen to all available ideas of reputable specialists. In the course of time mankind always reaches a certain point, in which all the methods that are known and approved stop to be effective. However, thanks to the human inventiveness mankind has found ways and means how to overcome such situations.

At the same time, Russian federation is convinced that it is essential to support scientific work. On the basis of many scientific studies that evaluate the pros and cons of using of alternative sources of energy, the Russian federation considers to be of a very high importance that funding of their development should be done based not only on environmental and economic arguments, but also on moral arguments. Therefore, it is essential to pose a question, what influence for instance the funding of the production and utilization of so called biomass on the volatility of food price levels would have.

The Russian federation highly recommends reopening of the debate on the use of nuclear energy and appreciates the suggestion of the Forum that thermal energy should be taken into consideration as a cheaper alternative to solar and wind energy, where possible.



 **4TH PROPOSAL OF THE FORUM:**

With its value falling due to the long-term Federal Reserve Fund inflationary policy, the unique position of US dollar slowly but steadily deteriorates. Forum proposes that the use of the International Monetary Fund reserve currency shall be augmented. SDR currency basket should be composed of five currencies belonging to the countries with the highest share of the world trade, strictly in the proportion equal to their respective shares. The second alternative is the return to the gold standard where the new money could not be printed by central banks unless adequately covered by gold. This would stabilize exchange rates around their real values and stop the widely adopted countries' inflationary policies leading to losing control over their currencies.

 **ATTITUDE OF RUSSIAN FEDERATION TOWARDS 4TH PROPOSAL OF THE FORUM:**

The Russian federation recommends the modification of the present global financial system in accordance with the needs of the 21st century. The Russian federation does not imply a total dissolution of the present global financial system, but its adjustment to the needs of the 21st century: to the existence of a greater amount of successful economies and a greater amount of regional reserve currencies in the world economy. The Russian federation considers the reopening of dialogue about the future of international financial system as vital. At the same time, the Russian federation highly recommends to avoid the centralization of international financial system and its unipolarization in the future. Possible return to any original international financial system that has already proved dysfunctional the Russian federation considers as counterproductive.

 **5TH PROPOSAL OF THE FORUM:**

According to Forum, the "brain drain" phenomenon is, amongst many other issues, one of the most common that hamper the progress of developing countries. Often, individuals benefiting from the free education in their home countries leave in pursue of better careers. However, countries have currently no means to recoup the funds spent on professional growth of such individuals. To counterbalance drawbacks caused by the brain drain phenomenon, Forum recommends the adoption of measures that would guarantee the return of funds invested in education of individuals who do not contribute to the gross domestic product. As a possible solution, Forum proposes legal precautions, which would ensure that either the individual or the country of destination would refund the money spent on the individual's education, to be taken.

 **ATTITUDE OF RUSSIAN FEDERATION TOWARDS 5TH PROPOSAL OF THE FORUM:**

The Russian federation recognizes the consequences of the "brain drain" phenomenon on the progress of the developing countries. At the same time, the Russian federation considers necessary to highlight that the "brain drain" phenomenon is in general closely connected to the international migration of population. The Russian federation highly recommends the reopening of the dialogue on the available solutions to this issue.