

**PROBLEMS OF THE MODERN RUSSIAN ECONOMY.**

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**1. Inflation problem**

The first issue I want to discuss is a high rate of inflation. Prices are , but salary's low, people spend all the earned money on food, they can afford only necessary. Things for some goods tend upwards every year with different rates. Thus, prices for food products rise every day, day by day the price for some type of the product rises. A. Siluanov stated that the rate of inflation could be decreased by 4,5-5 % in the country, it was 6,29% in 2013 and 7,1 % in 2012 - it was the highest rate of inflation.

**2. Venality problem**

Venality is one of the most irritative agent. No one political problem can be solved when there is corruption. Members of the supreme political authority may declare the right policy as much as they want, but millions of honest and principled regulators need to realize it. Corruption is a lightning-rod issue in the country. Economic problems influence the social standard of living and the quality of living. The presence of corruption hinders natural development of the economy towards its effective improvement. The spheres of activity in which, according to some experts, there is a risk of corruption in Russia:

Customs Service: skipping the carriages of prohibited goods across the line, returning of the confiscated goods and currencies; understatement of customs duties; unreasonable delays of the cargo; unreasonable delays of custom payments.

Tax authorities: not levying the taxes in full size; returning of VAT; closed eyes on tax offenses, un implementation of control measures; ordered competitors checking and stopping production.

Department of the Interior: initiation and termination of criminal cases, as well as their direction for further investigation, the lack of legal punishment for offenses of various severity.

Bureaucracy: bribes for issuing certificates, permits, other documents, creation of commercial firms, accelerating surcharge paperwork.

Fighting corruption: sometimes a cover for embezzlement of funds allocated for its implementation.

Schools: buying and selling diplomas overstatement Examination results; admissions of people with insufficient knowledge in university.

**3. Business problem.**

Business gets a big specific gravity in the concentration ratio of economy functioning. For example, 25 millions of small and medium-sized enterprises work in USA nowadays that makes up 99,6 % of all American enterprises. Two-thirds of all involved in economy and more than a half of gross domestic product fall to the share of business. in Russia the rate of business growth and the actual data of enterprises existence at the market are too low in comparison with west countries. Only 6,2 % of total make fall to share of business.

**4 . The problem of low productivity.**

The study identified the main causes of low productivity in Russia:

Inefficient labor.

Opaque and excessive regulation .

Outdated capacity and production methods .

Rare for an integrated approach to the development of planning areas.

Lack of professional skills.

Underdevelopment of the financial system.

Continuing productivity gap with other countries due to the lack of serious incentive to improve it

.The insufficient level of performance in the studied sectors is also partly explained with structural factors of the Russian economy .

### **5 . Underdevelopment of the financial system.**

In fact, at the moment we are back at the stage when it is necessary to rebuild the financial system , an adequate market economy. The general framework for such a system are obvious: the priority of law ; strict fiscal responsibility, economic efficiency of decision making based on analysis and detailed calculations ; absolute pursuance of financial commitments made in accordance to the laws .

Creating such a system requires a constant and diligent work in the areas of the state as the actual law and its application by judicial and administrative monitoring compliance with the law.

In conclusion we can say that the elimination of the general imbalance needs vigorous market reform, the formation of the optimal structure of the national economy, as well as following the internal needs of each country and the needs of the world market.