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**"Healthy" public finances are a basis**

**of the development of the country**

**I**

n any business at the correct financial planning, financing of the current expenditure due to the sale of the basic means and commodity stocks is not supposed. At attraction of credits and loans any borrower should determine a source of repayment of his debt, first of all. Similarly, at the conclusion of any contracts of insurance the volume of possible risks - the sums of all payments for all time of action of these contracts all over again is established, and the circle and the structure of potential clients which can bear the burden of charges on payment of a corresponding kind of insurance are only then defined.

In our opinion, all these corrected rules are fully applicable and for a finance management of the state affairs. And we undertake to prove, that in all countries strictly observed these rules of a finance management, everything was in order with the economic development and with the increase of well-being of the population. And, on the contrary, when these rules were broken, both business, and the suffered, and the population suffered too.

Meanwhile, in a modern practice of the government suddenly it became possible to rely seriously on the sale of natural recourses of the state for financing personal cars and distributions of apartments to the officials, to involve the credits «on a covering of the state budjet deficit» and to apply the insurance schemes at which the lesser number of workers should provide with pensions and benefits of the increasing number of the dependents.

And, thus, it is loudly declared, that we cannot find any means in any way and the ways «getting off from a needle of raw dependence on» and for this our problem «nobody in the world» can offer the adequate decision. Meanwhile, our situation is not so unique, and the ways out from it for a long time are designated and tested. So, Malaysia has been extremely poor and also its economy completely depended on export of bauxites. And now, it is one of the most developed countries of the South-east Asia. Australia, before mainly traded wool and meat, now successfully exports the hi-tech industrial goods. And even the neighboring Finland before our eyes has turned from the exporter of wood and wood products to the world's largest supplier of mobile telecommunication means.

Meanwhile, in Russia till now all economic policy of the state was reduced to increasing of export energy resources (while Skolkovo and Rusnano have proved exclusively as the «image» projects), and the budgetary-financial policy is to pack notorious « pillows of safety ». Thus, as it is informed to us, these "pillows" will us save of any kind of world crises.

But at the same time in any way we are not explained what world crises can threaten our import of the Chinese goods and how the mortgage crisis in the USA can undermine our export of oil and gas. The main argument is one - the International Monetary Fund recommends to create and support large currency reserves and we are obliged to execute these recommendations. And the IMF demands from us as well to struggle with inflation; therefore, we should store our reserves abroad.

Also there is one more unspoken "recommendation" – not to notice, that the formation of " currency reserves » is understood as exclusively preferential crediting of the economy of the USA and the European Union (as emitters of dollars and euros), and that investments into increasing national manufacture of the goods and services never before and anywhere did not cause an inflationary rise in prices. But as to Russia, the growth of the internal prices directly depends on the increase of tariffs for services of " natural monopolies» and it is one of the major elements of the state policy in the Russian Federation, and also from the massed issue of roubles in exchange for received from export «oil» and «gazodollars». And the state central bank is engaged in it also. However, concerning the termination of such practice, the IMF does not give recommendations to our governors for some reasons.

But if the experience of Malaysia or Finland we are not interested in, the example of Greece is not ignored by us. In Greece there is the same model of monoculture development, as in Russia. Only there is foreign tourism in a role of this monoculture in Greece, and we have the export of oil and gas. In this country methods of the finance management are applied the same, as well as ours, methods of financial management: a rate on full liberalization of currency exchanges is down to transition to the general currency of the European Union, attraction of external loans for the purposes of covering of the budgetary deficit, the accelerated approach «the international standards» - on the line of conditions and the sizes of payments of pensions and social benefits and the introduction «of the general tax on consumption» - the VAT.

It is necessary to tell, that the financial crisis in Greece is not something unique. In less heavy, but a critical condition there are economies of Italy, Spain, Portugal, Ireland and even in Great Britain.

At the time when Greece has been accepted at the European Union under the condition of the reduction of its budjet deficit and regulation of a problem of external debts, recently it became known, that data the presented by the government of Greece concerning these parameters were, to put it mildly, "essentially embellished".

The problems of the Greek economy became obvious in 2009 when the government of this country has recognized, that the budjet deficit has reached 12,7 % of gross national product (for the countries-members of the EU the established limit is 3 % of GDP). Despite of the attempts of the government to cut down the budjet deficit and to increase tax revenues, in 2010 the situation has continued to get worse and in 2011 the country was faced before the almost inevitable default.

The major industries of economy are tourism, agriculture and fishery, food processing, the tobacco, textile, chemicals, metals, oil refining. Tourism is the leading branch of the economy, giving the basic part of incomes of the country in foreign currency. Transition to the euro has caused the growth of the consumer prices in all countries of the Eurozone - on the average cost of a consumer's basket in each country grew for the first year for 4-5 percent. However in no one country it has provoked such transcendental rise of the prices as in Greece. So, according to the review of the Ministry of development, the prices of fresh vegetables and fruit after transition to the euro have grown on 95 %. This circumstance and also introduction of the VAT have striked the strong blow on the tourist business.

In these conditions, to overcome the backlog from the European standards of social service Greece has been provided by giving large financial transfers from the EU funds. In recently about 4 % of the total volume of GDP was necessary to the aid from EU. As a result, Greece was the former poorest country in the EU, has almost overcome this gap and by 2003 on a standard of well-fare of the population was practically equal even to Portugal. Today the real incomes of the population of Greece come close to 80 % from the Central European level (23,9 and 27,8 thousand euros). Thus according to all available information, the level proportion of the state employees in total employment in Greece is 32 % (in the EU more only in Denmark and Norway) - in comparison, for example, from 14 % in Germany (OECD,OECP average is 20 %). A share of incomes of the state employees in the total sum of incomes of the employees is 24 %, at average for the countries of OESD is 21 %.

The system of social security approximately corresponds to an average level in the European Union, for example, the unemployment benefit makes 55 % from the salary plus 10 % for each dependent, the benefit is paid within 12 months. The social security system in Greece is equal to the European standards.

As it is known, Greece, and also the Pyrenean countries (and southern Italy) traditionally were the least developed regions of the European continent, but with the joining the European Union they have been introduced to unify the higher standards of the social security which has been not supported by the corresponding increase of productivity of the economy and improvement of the structure of export. Besides, the introduction of the raised rate of the VAT was negatively reflected in the cost of tourist service which has essentially reduced the flow of foreign tourists (a large part of this stream with success is transferred by Turkey and Egypt). Therefore, at the first attributes of the financial crisis, the problems of budjet deficit have sharply become aggravated, and has instantly revealed the economic and structural inconsistency of the national policy.

Before such problems were solved easily by devaluation of the national currency, but with the permission of the transition of Greece to the euro, this way has appeared closed, and now the whole European Union is the hostage of the developed in the «southern under-abdominal of Europe» financial situation

Thus, the Greek authorities formally agree with all demands of creditors on reduction of the State expenditure, but their determination to satisfy these demands still remains in doubt.

Already now, the debt crisis in Greece is reflected in the reduction of cost on oil and the rise in price of the dollar against the euro.

Let's emphasize also, that the development of the crisis situation in Greece puts the following complicated questions before the Eurozone.

The first question: whether it is possible to allow for Greece to go on a soft, partial and operated default on the debts, and to agree that banks and pension funds should lose a part from those money which they have lent Greece?

Germany considers, that the default of Greece is permissible. The head of the European Central bank Jean-Claude Trishet is categorically against, specifies that the first package of the help to Greece for the sum of 110 billion euros has not helped. And now Greece asks the EU and the IMF 85 billion euros more and still should hope on the sales of any actives for the sums of tens billions of euros.

Particularly, the financial authorities of the European Union have set the following basic conditions: to raise the value-added tax to 2-3 percentage points (not less than 23 %): to raise to 10 % excises tax on tobacco, alcohol and gasoline; to lead the radical reductions in the state sector (to reduce the number of the state employees, to privatize a number of enterprises); to refuse the practice to payment the state employee of the 13-th and the 14-th salary (celebratory grants to Christmas and Easter); the middle age of retirement should be raised from 53 years till 67 years; above 1,4 thousand euros a month to assess pensions in the size under the rate of 15 %.

While investors consider that it will be written off, finally, from 50 up to 70 % of the debt of Greece. However, the complexity of the situation is that, technically it is impossible to exclude these assets from registration of the holders of these papers simply: such action becomes the so-called "credit event" for those who estimates and insures the sovereign debts of the countries. The default of Greece will sharply lower the tolerance of investors to risk: risky actives will start to refuse, and it will lead to, that the banks will step financing each other. And then new crisis of liquidity as in 2008 is possible, and in this case consequences for all economics will be extremely serious.

Thus, there is an opinion, that, probably, nevertheless it is necessary to allow to Greece to go on a default - more or less operated – but, thus recapitalize the suffered banks in the countries of the Northern Europe by money of the tax bearers.

And what is the situation in the social sphere of Greece? The average salary in the private sector is 1000 euros a month, in the state sector is 1300 euros, the minimal salary is 589 euros. The average pension makes 93,6 % from the average income of citizens at the rate of about 1000 euros a month. For comparison: in France - 51,2 %, in Germany - 40,5 %, in Japan - 33,5 % (but in Portugal - 53,6 %, in Spain - 73,0 %).

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Social funds and payments for the last years have grown up to 20 % of the state budget. Thus, in the country there are some pension funds, conditions in which are practically identical. Therefore, the many people choose this or that fund, based on the territorial basis.

The official pension age retariment in Greece now is 65 years for men and 60 years for the women, however, many people use an opportunity of prescheduled retariment leaving to the pension and the middle age for retiring now is only 53 years.

It is interesting, that in Germany the worker having 35 years of the work experience, can count on pension at a rate of 61 % from average earnings for all years of the work. And the Greek can retire, after working only 15 years, thus can count on reception of pension at a rate of 111 % from the average earnings for the last 5 years. As a result, the average pensioner in Greece gets 16123 euros a year. Besides, under the Greek laws, the unmarried daughters of the deceased (not necessarily killed!) on the service of militarians and policemen receive the pension for their father or for life or up to marry officially (and on the average such pension is not less than 1000 euros a month).

In case if an employee loses his job for any other reason than his initiative he is paid the benefit, equal approximately 55% from the minimal salary around the country. Each family member dependent on the unemployed relative is paid the additional sum of 10% for 12 months.The fact, interesting for us is that the Greek authorities some time ago thought about the possibility of increasing the work force by attracting migrants.

Thus, two laws in 1989 and 2001 have legalized at once more than one million illegal migrants, mostly from Albania and some countries of Asia and Africa. By such step the Greek government wanted to kill at once « two hares »: to remove itself from expenses for compulsory sending of migrants to the motherland and to increase the collection from pension funds.

The word «fakelaki» in Greece is as popular, as a "bribe" in Russia. Without «fakelaki» a little happens in the country. By some estimation, the average Greek family annually spends on «fakelaki» 1600 euros, and the average ‘roll back’ to the official for the conclusion of the contract for the state order is 30 %. As a whole due to the practice of the «fakelaki», the state budget of Greece loses at least 10 billion euros a year.

Thus, the every fourth worker in Greece and practically the every second worker not in the private sector has the status of an official. In Greece now as there are as many officials, as in Great Britain, which is six times larger than Greece’s population.

There is the tax control in Greece, but not for rich. According to official data the income from above 100 thousand euros a year in newspapers write about the average doctor who practices in one of the most expensive areas of the capital - Kolonaki, declares as the taxable income no more than 1 thousand euros a month. In 2008 the average-annual declared income of the doctor, the lawyer and the architect was made less than 10,5 thousand euros. As a result of such small cunnings, annually Greek treasury, by different estimations, loses from 30 up to 50 billion euros. And the level of not taxed economy makes in Greece almost 25 *%* (an average level on ОECD,OECR is 12 %).

R.Bootle, the former adviser of the Ministry of Finance of the UK, and now the founder of the company of Capital Economies, says, that Greece at some stage nevertheless will try to declare a default on the debts or to leave the structure of the eurozone. « The debts of Greece are so high, that it will not cope with debts without the help from the outside, and its economy will continue to be reduced for many years. A unique question is when this will happen and how it will named hardly a default, more likely re-structuring », - he has written in his column in The Telegraph.

Thus, as a fundamental problem for Greece, R.Bootle considers not « lack of liquidity », and the common external insolvency of the country. More over in his opinion, the debt is only one of the sides of the crisis of the euro and there are as minimum three. «First is an insufficient competitiveness. From the moment of introduction the euro, the level of expenses for labour in Germany has not almost changed, but «on the periphery of the EU» (in Greece, Spain and Portugal) it significantly has grown - approximately by about 30 %. As a result, the peripheral countries are uncompetitive both inside of the eurozone, and outside, that automatically cuts before them a variant with restoration of national economies through strong export ». The second factor is the market of the real estate. Introduction of the euro in many countries has sharply inflated the prices on housing, and now in this market long-term reduction of prices is expected. And the third factor, on R.Bootle's opinion, is a weakness and insufficient efficiency of the banking system (and not only in « the problem countries », but even in Germany).

As for Greece before the last crisis it did not look as « the backword pupil » in the EU. For the period 1990-2007 the GDP of the country has grown by 5 times, profits of corporations - by 28 times. Actives of the large banks have increased about 275 billion euros in 2004 up to 579 billion euros in 2009. By the moment of the beginning of the crisis the labour productivity of the Greek workers has grown up to 93,5 % from the average labour productivity in the EU (and the salary of workers has grown only up to 60 % from the Central European level).

And what has the accession of Greece to the EEU (except for transition to the euro and the introduction of the VAT) brought? Before Greece was the pure explorer of agricultural production and now, it has become its importer.There were some factories on sugar production in the country and now it has no one. Earlier shipyards had been developed there and now all of them are closed. Strict execution of all instructions of the EU has led to the sharp reduction of fishery and viticulture. So, in many spheres, in spite of the fact that Greece has rich in natural resources , the developed industrial base, a large sea marine and certainly, the great potential of the development of agriculture production and tourism.

As now we see after the crisis of policies in the developed countries, the crisis of ideas starts. However, the authorities in these countries are still trying to correct the situation with the help of some “dot amendments”. As for, the external debts, it is offered to establish some general “limits of loans” instead of paying attention to the question about purposes of any external borrowing. Budjet deficits are also being tried to limit by some “norms” – instead of understanding and realizing the threat of losing a significant part of the national tax potencial because of the practice of transferring the real production into the countries with more favorable tax regimes. Finally, in the social sphere, it is impossible for the political authorities to refuse from the idea of a ‘worthy social aids’ despite of the fact that the sources of funding are reduced.

Indeed, when O.Bismark introduced in Germany one of the first state systems of social insurance in the world, the average expected life expectancy for men in Germany was 45 years old, and the pension age had been established at 70 years. Today, the average man expects to live 72,3 years in Europe, 69,4 years in Asia and 77,8 years in Northern America. Thus, people began to study more and later to start the labour activity. Pension insurance covers also women now and there is the gap between the finding of job and the beginning of pension. Besides, in conditions of crisis money means accumulated in the state and private pension funds are threaten also by high investment risks. During the periods of recession in the securities market, pension funds can lose significant share of their resources. For example, in the USA some pension funds sometimes lost one time up to 30-40% of the value of their savings.

Authorities suggest to solve the problem by two ways. The first is to increase a pension age. So, Germany, Spain, the Netherlands and Great Britain have already raised the retirement age to 67 years, France limited the raising of this age to 62 years. The second is the development of systems of private pension insurance. The state is ready to give its citizens wide set of alternatives to ensure their old age - in exchange for reducing of the state pension insurance.

In Russia where the pension since 2002 is divided into basic, insurance and accumulated parts, the demographic problem can be copy even more painful, than in other countries. It thus, in the middle of 2010 it was declared by the Minister of Finance of Russia Alexey Kudrin. «Now there are 128 working people 100 pensioners. In the countries of Europe this ratio makes 160 - 150 working to 100 pensioners, - the head of the Ministry of Finance resulted statistics. In Russia by 2012 the ratio will be 112 working people 100 pensioners, and by 2030 - 100 to 100, accordingly and imbalance (in pension system) will grow only ». In 2010 pension expenses in the Russian Federation were 10 % of GDP. For the EU a similar average indexes - 9,1 % of GDP.

Thus, all the problems of Greece are surprisingly similar to a present current situation in Russia. And what is the difference? Firstly, that the European Union never will attend to the problems of Russia, and it is necessary to solve all these problems it by Russia itself. The second, that in Russia now the situation is not so critical, as in Greece.

And now «with noise and a crash» it is discussed in Europe, who will carry out the burden of repayment (or write-offs) all of these Greek debts: holders of the Greek bonds - French and German Banks, the central bank of the EU or the European Union as a whole. But not Greeks (though, according to statistics, the average Greek by presence in his property of different actives approximately about 2,3 times richler, than the average German).

Why? Because the Greek voters have already announced, that they will send down any government if it only makes give a hint about “such seditious idea”. And nobody is deeply concerned, that «the average Greek » until recently with pleasure retired at the age of 50 years, and « the average Greek widow » was quite comforted by full pension of the untimely died official.

And Russia, now does not ask other countries for the help. Russia is given opportunity by destiny to have to spend its a abundant natural recourses.

But this goodin itself carries a threat for Russia. Greece, really, has miscalculated with "capitalization" of the sea and the sun. But it is necessary to bring down moderate the appetites, to reduce the prices and tariffs up to a competitive level with other warm countries and the rich European tourists will return to this country (nevertheless it is Europe, the Arabian world is restless, the countries of Southeast Asia - are far, and Latin America - both is far, and restless). And money means are known and quite accessible to reduce the VAT and to return to the cheap, as required devaluating to drachma.

"Monoculture" of Russia is of another kind. The world prices for raw material and energy carriers can fall down, and their most accessible deposits can be disappeared suddenly. And Russia can make nothing with it. To trade on foams below costs is not good economic way. Both by the reduction of the VAT and by devaluation of rouble, the government problem not solve this problem.

And then we have again the main economic question for our state financial policy: Why is Russia not able to provide the citizens with labour and why does Russia are need immigrants and why we should take out the raw materials from country.

In Germany, ruined and devastated by war, the Minister of Economics Ludwig Erhard said: « We need neither money, nor the foodstuffs, and other assistance. Give us only raw material ». And we see the result.

And Russia is very rich in natural resources.

And speaking about our people in other countries, we can say that they are quite successful and quite happy by there work and there skills. And if in Russia the German model does not work, probably, we have a serious problem with our people.

In a fact, we underline, that every thin is very simple. It is not necessary deficiency of the state budget deficits when the government is involved in the actions which are not provided by current state revenues, and proficiency - when the state collects taxes from the people more, than it is needs really.

It is not necessary to have the massed for currency reserves placed in foreign banks for the state. Actually, even oil and gas, kept in accessible deposits are on consider than better currency reserve, that in any foreign bank and in not very friendly country to Russia.

And we believe, that export of natural resourses material from the country is a deduction from its national riches, and at all any « an increase of GDP » (and even, if it is so "considered", that, means, something is wrong with its gross national product).