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## New Scenarios of Joint Crises Fighting in Socio-Economic Sphere of Russia and Greece

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**Abstract:**

*The purpose of the article is to verify this hypothesis and to determine the newest scenarios of joint overcoming of crises in socio-economic sphere of Russia and Greece. The work uses the method of statistical analysis, with the help of which the authors study the dynamics of socio-economic development of Russia and Greece in 2008-2014 and determine common tendencies and regularities. As a result of the research, the authors found out that Russia and Greece are peculiar for common socio-economic problems which cause similar crises, which leads to expedience of unification of efforts of both countries for their joint effective solution.*

*This research distinguishes three most perspective directions of fighting crises in socio-economic sphere and offers three possible scenarios of joint crisis fighting in socio-economic sphere of Russia and Greece: innovations-oriented, business-oriented, and institution-oriented scenario, with development of the authors' concept of joint crises fighting in socio-economic sphere of Russia and Greece.*

**Key Words:** *International cooperation, joint crises fighting, crisis management, socio-economic sphere, Russia, Greece.*

**JEL Classification Codes:** *H12, F02.*

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## **1. Introduction**

At the beginning of the 21<sup>st</sup> century, the global economy faced a new global problem – unsustainable development caused by emergence of socio-economic crises. This shattered the positions of generally accepted market model of economy which supposes minimization of state interference into socio-economic processes. The global financial crisis that started in 2008 in the USA and transferred to other countries of the world in the following years showed that despite active involvement into integration processes, most countries prefer to solve their socio-economic problems independently.

Duration of this crisis shows ineffectiveness of this strategy and need for its correction. Thus, the topicality for study of perspectives and search for possibilities of cooperation of the countries of the world and joint crises fighting in socio-economic sphere grows. The working hypothesis of this research consists in the fact that Russia and Greece have similar socio-economic problems that cause similar process of corresponding crises due to which it is expedient to unify efforts of both countries for their effective solution. The purpose of the article consists in verification of this hypothesis and determination of the newest scenarios of joint crises fighting in socio-economic sphere of Russia and Greece.

## **2. Theoretical, Informational and Empirical, and Methodological Grounds of the Research**

Theoretical and methodological foundations of formation, development, analysis, and regulation of crises in socio-economic sphere are given in materials of such modern authors as (Popkova *et al.*, 2013; Skiter *et al.*, 2015; Kravets *et al.*, 2014 and Dzhandzhugazova *et al.*, 2015; Thalassinos and Stamatopoulos, 2015).

Applied issues of socio-economic crises in Greece and, in particular, fighting the recent global financial crisis, are reflected in works of such scholars as (Petraikos and Psycharis, 2016; Polychronidou *et al.*, 2016; Eißel, 2015; Arghyrou, 2015; Thalassinos *et al.*, 2015; Thalassinos *et al.*, 2014; Thalassinos and Liapis 2014).

Practical aspects and Russian peculiarities of distributing and fighting socio-economic crises are studied in works by (Bräuninger, 2014; Izmailova *et al.*, 2016; Senchagov and Mityakov, 2016 and Kobersy *et al.*, 2016).

Based on the study of recent publications on the topic of the research, it is possible to conclude that despite the excess of scientific and practical material, articles of most authors contain only separate components of the set problem. At that, possibilities and perspectives of joint crisis fighting in socio-economic sphere of Russia and Greece are omitted, which leaves area for development of corresponding scenarios.

For verification of the offered hypothesis, this work uses the method of statistical analysis. The authors study dynamics of socio-economic development of Russia and Greece in 2008-2014 and determine common tendencies and regularities. The indicator of the situation in social sphere is the Quality of Life Index (according to the Economist Intelligence Unit), and the indicator of situation in economic sphere – GDP and GDP per capita.

### 3. Results

Let us analyze the situation in socio-economic sphere in Russia and Greece in 2007-2015 (Table 1).

**Table 1.** Dynamics of indicators of the situation in socio-economic sphere in Russia and Greece in 2007-2015

Indicator	Country	Values of indicators for the periods						
		2008	2009	2010	2011	2012	2013	2014
Life quality index, points	Russia	4.79	4.75	4.81	4.96	5.14	5.22	5.31
	Greece	7.16	7.08	6.99	6.91	6.82	6.74	6.65
GDP, \$ billion	Russia	349.5	336.7	322.2	299.7	285.2	278.5	285.3
	Greece	3,084.5	2,865.5	3,031.0	3,226.6	3,397.8	3,498.0	3,576.8
GDP per capita, \$	Russia	21,615	20,066	21,211	22,564	23,711	24,343	24,449
	Greece	30,895	31,253	30,084	28,811	26,944	25,638	25,178

**Source:** (The Economist Intelligence Unit, 2015), (Gross domestic product of the countries, 2015), (Ranking of the countries as to GDP per capita, 2015).

As is seen from Table 1, both studied countries are peculiar for the common problem of reduction of living standards and the problem of economic recession in 2009-2010, which is caused by crisis in socio-economic sphere. Character and dynamics of the crisis are similar, which is a sign of similarity of the situation in these countries. This is proved by the fact that Russia and Greece are in peripheral zone in the ranking of countries' prosperity (The Legatum Prosperity Index), according to the Legatum Institute for 2015, ranking 58 and 49, accordingly (The Legatum Institute, 2015).

This research distinguishes three most perspective directions of fighting crises in socio-economic sphere. The first direction is related to stimulation of innovational activity in economy, due to which is receives an impulse for development. Under the conditions of highly integrated (open) economic system, this may stimulate the increase of its global competitiveness. Increase of demand for national production leads to increase of volume of export and GDP – i.e., economic growth. This is accompanied by growth of employment level and volume of tax revenues into the state budget, the possibilities of which in solving social issues expand. The indicator of innovational activity of economy is the Global Innovation Index. In 2015, Greece was ranked 45th in the ranking of the countries for this index, and Russia – 48th

(The Global Innovation Index, 2015). That is, these countries are at the same level of innovational development.

The second direction is development of entrepreneurship and increase of social responsibility of business. It is aimed at prevention of emergence of crisis phenomena in economy through elimination of its key reasons. As is known, the reason for the recent financial crisis of 2008 was financial speculations and irresponsible business, oriented at maximal current profit regardless of long-term consequences for the society and economy on the whole.

Development of entrepreneurship stimulates economic growth, and increase of social responsibility of business ensures its sustainability. The indicator of development of entrepreneurship and social responsibility of business is Sustainable Society Index). In 2015, Greece was ranked 108<sup>th</sup> according to this index (4.32 points), Russia – 106<sup>th</sup> (4.33 points) (Sustainable Society Foundation, 2015). Therefore, these countries are at the same level of development as to this indicator.

The third direction is related to development of institutional infrastructure of economy as the most important precondition for development of entrepreneurship, attraction of investments, and conduct of measures in the sphere of crisis management. The indicator of institutional development of economy is the index of effectiveness of institutes, which is an element of the Global Competitiveness Index. In 2015, Greece was ranked 85<sup>th</sup> (3.64 points) as to the index of effectiveness of institutes, Russia – 97<sup>th</sup> (3.45 points) (Schwab, 2016). This means that the countries are at the same level of development for this indicator.

Thus, Russia and Greece are characterized by similar problems in socio-economic sphere and similar possibilities for fighting them, which confirms the working hypothesis of this research. According to these directions, this work offers three possible scenarios of joint overcoming of crises in socio-economic sphere of Russia and Greece: innovations-oriented, business-oriented, and institutions-oriented scenarios.

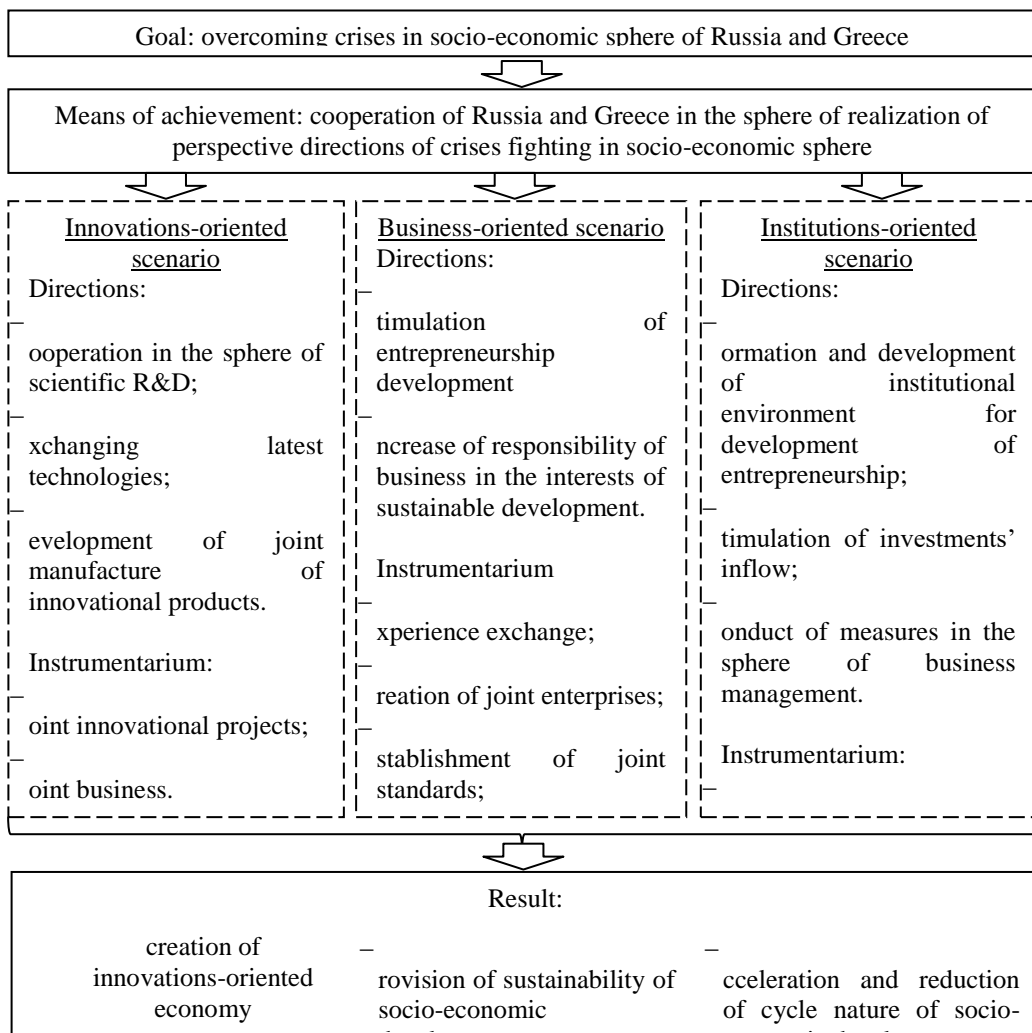
Innovations-oriented scenario supposes cooperation of Russia and Greece in the sphere of scientific research and development, exchange of new technologies, and development of joint manufacture of innovational goods. Instrumentarium should include realization of joint investment projects in the innovational sphere, including grants for their conduct and creation of joint transnational corporations in innovational sphere.

Business-oriented scenario is aimed at stimulation of development of entrepreneurship and increase of corporate responsibility in the interests of sustainable socio-economic development of Russia and Greece. The following instrumentarium could be used for that: exchange of experience in the sphere of

regulation of competition, creation of joint Russian-Greek enterprises, establishment of common standards of business, and increase of consumers' consciousness.

Institutions-oriented scenario is based on joint formation and development of institutional environment, necessary for development of entrepreneurship, attraction of investments, and conduct of measures in the sphere of crisis management. Instrumentarium could include unification of normative and legal basis in the sphere of entrepreneurship regulation, creation of new institutes on crisis management, and joint realization of investment projects. The authors' concept of joint crises fighting in socio-economic sphere of Russia and Greece is given in Figure 1.

**Figure 1.** Concept of joint crises fighting in socio-economic sphere of Russia and Greece



As is seen from Fig. 1, the offered concept ensures development of innovations-oriented economy, increase of sustainability of socio-economic development, and acceleration and reduction of cycle level of socio-economic development, thus stimulating crises fighting in socio-economic sphere of Russia and Greece.

#### **4. Conclusions and recommendations**

It is possible to conclude that there are a lot of preconditions for development of cooperation between Russia and Greece in the sphere of crises fighting in socio-economic sphere. Joint efforts of these countries could reduce the costs of realization of measures in this sphere by means of unification of capital and maximize the results due to experience exchange.

It should be emphasized that it is not necessary to choose among the offered scenarios of joint crises fighting in socio-economic sphere of Russia and Greece, as it is possible to combine them or realizes all of them simultaneously. This will allow developing close cooperation and achieve maximum effectiveness in the sphere of joint crisis management.

A limitation of this research is generalized character of the offered recommendations, which predetermines necessity for their detailed elaboration and specification depending on the selected course of cooperation of Russia and Greece in the sphere of crises fighting in socio-economic sphere. We think that further perspectives of development of the concept of crisis management are related to deep study of possibilities of the use of integration mechanisms in this process.

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