

Now, with Russia stepping in to negotiate with OPEC nations, a new picture is emerging. With its military might, Russia can assume de facto leadership of the oil-producing nations in the name of stabilizing oil prices.

This is not the first time that Russia and Saudi Arabia have sought a close partnership. Even in 2013 there was an attempt to form a secret deal, which did not go through. Iran has been a trusted ally of Russia for a long time, and if Russia can broker a deal between Iran and Saudi Arabia, it can also push through some sort of secret OPEC deal.

With all the major Gulf nations agreeing, Iraq, which is without a credible political leadership, will also likely follow suit if Russia assures them of stronger support against ISIS.

If the above scenario plays out, Russia will emerge as the de facto leader of the major oil producing nations of the world, accounting for almost 73 percent of the global oil supply.

Along with this, Russia has been in the forefront of plans to move away from Petrodollars, and Moscow has formed pacts with various nations to trade oil in local currencies. With this new cartel of ROPEC (Russia and OPEC nations), a move away from petrodollars will become a reality sooner rather than later.

Though a solution in Syria is welcome, a large cartel of major oil producing nations of the world with Russia as the head would be a major upset to the current balance of power.

Golovko, E., Khotyanovich, A.
Research supervisors: L. Vasilevskaya, J. Vashkevich
BSEU (Minsk)

BASIC INCOME: WHAT IT IS AND HOW IT WORKS

At this point in time, the idea of basic income is becoming more popular among European countries, but most people don't fully understand what it is or how it would work. A basic income is an income unconditionally granted to all on an individual basis,

without means test or work requirement. It is a form of minimum income guarantee that:

- is being paid to individuals rather than households;
- is paid irrespective of any income from other sources;
- is paid without requiring the performance of any work or the willingness to accept a job if offered.

The experiments conducted in several countries have shown that the lack of qualms about the future and concerns about where to get money for food, provoked by basic income, stimulate entrepreneurship and increase the purchasing power of people, which, in turn, stimulate the economy.

There are many good ways to finance the basic income. It can be achieved by increasing taxation, elimination of current income support programs and tax deductions, reduction of different concessions and subsidies, and through other sources.

There are some concerns that basic income will deprive people of motivation to work, but it's far less of a disincentive than existing welfare programs. Surely, the basic income gives people slightly less motivation, but people work not only for money, but also for other reasons, related to status and position in society. Everyone would receive the basic income, but people who would work harder or longer or in more highly paid areas would still be better off than people who wouldn't.

The effects of basic income depend on national culture. It will not be successful in countries where people don't seem to like to work that much, because it might create a larger drop in labor supply. The Nordic countries seem to be most suited to implement basic income. They already have large welfare programs with strong public support, and they're very competent at tracking the effects of such public schemes.

Some attempts of implementing the concept of basic income have already been undertaken in Brazil, Cuba, and Mongolia and to some extent in Germany and Namibia. Moreover, it is considered to be introduced in such countries as Finland, Switzerland, Canada and Norway in 2016. It's still unknown whether it will become a reality or not. The referendum will take place in Switzerland in June 2016 and according to the preliminary data 59 % of the surveyed support the idea of basic income.