

ST. PETERSBURG INTERNATIONAL ECONOMIC FORUM

JUNE 21 – 23, 2012

Realizing Russia's Potential

**INVESTMENT IN HUMAN CAPITAL: DRIVING ECONOMIC GROWTH AND
TOURISM**

Panel Discussion

JUNE 21, 2012 — 16:00 – 17:15, Pavilion 8, Hall 8.3

St. Petersburg, Russia

2012

In cooperation with Northern Caucasus Resorts Company

Moderator:

Andrei Volkov, Dean, Moscow School of Management SKOLKOVO

Panelists:

Clemens Berendsen, Member of the Board of Directors, Hotelschool The Hague

Isabel Garana, Regional Director for Europe, World Tourism Organization Network (UNWTO)

Alexander Khloponin, Presidential Plenipotentiary Envoy to the North Caucasus Federal District

Alexei Nevsky, General Director, Northern Caucasus Resorts

John Tschohl, President, Service Quality Institute

Front row participants:

John Beech, Senior Research Fellow, Head of SURGE's Sport and Tourism Work, Coventry University

Serguei Belousov, Senior Founding Partner, Runa Capital

Alexander Fedulin, Dean, Russian State University for Tourism and Service

Arsen Kanokov, Head, Kabardino-Balkar Republic

Olga Kutsenko, Chairman of the North Caucasus Coordination Council, Association of Young Entrepreneurs of Russia

Magomed salam Magomedov, President of the Republic of Dagestan

Taymuraz Mamsurov, Head, Republic of North Ossetia-Alania

Rashid Temrezov, Head of the Republic of Karachay-Cherkessia

Yunus-Bek Yevkurov, President, Republic of Ingushetia

Valery Zerenkov, Governor, Stavropol Region

A. Volkov:

Good afternoon, colleagues.

My name is Andrei Volkov. I am the Dean of the Moscow School of Management at Skolkovo, and today I will be your moderator.

Allow me to introduce our panel members for today. We have quite a balanced panel today: three participants from Russia and three from abroad. The Russian side is represented by CEO of North Caucasus Resorts Alexei Nevsky; Deputy Minister of Education and Science of the Russian Federation Alexander Klimov; and Plenipotentiary Envoy of the President of the Russian Federation in the North Caucasian Federal District Alexander Khloponin. Now I would like to introduce the World Tourism Organization's Regional Director for Europe, Isabel Garaña. Our panel also includes Mr. Clemens Berendsen, member of the Board of Directors of Hotelschool The Hague in the Netherlands; and from the United States, President of the Service Quality Institute John Tschohl.

Colleagues, our topic today is quite complex, because it simultaneously deals with two very large domains. The first domain is human capital. Year after year, the St. Petersburg International Economic Forum has positioned this domain as one of the leading factors in the competitive edge held by our country and other countries. On the other hand, today we will be talking about the Caucasus: a unique region, a very rich and very interesting part of our country. These two topics must converge in our discussion. So today, we are facing a double challenge.

I would like to begin our discussion by giving the floor to Alexander Khloponin and asking him what problems and challenges, in his opinion, are facing the Caucasus, and what steps we must take in the near future to improve the situation.

A. Khloponin:

Thank you very much. First of all, I would like to welcome all our panel members, as well as the heads of companies and organizations based in the North Caucasian Federal District who have shown a keen interest in this panel and in the St. Petersburg International Economic Forum in general. I would like to begin today's

discussion by congratulating the North Caucasus Development Corporation on yet another victory. For a number of years now, the North Caucasus resort development programme has been in the spotlight of one of the most important economic forums in the Russian Federation and, possibly, the world: the St. Petersburg International Economic Forum.

I am sure we all remember how it all began: as president of our country, Dmitry Medvedev unveiled this project and kicked off the discussion by establishing a specific rate of development for the region. Since then, we have managed to meet some of the challenges and attain specific results. I would like to say that it is no accident that this year's St. Petersburg International Economic Forum, which is focussed on the topic of developing human capital and investing in people, has given us the platform for a discussion of specific approaches to creating elevation mechanisms and developing the human capital of the North Caucasus region in particular. You know that the North Caucasus socioeconomic development strategy, the North Caucasus Resorts project, requires substantial state and private investments. As part of this programme, we plan to create more than 300,000 jobs, which is quite an ambitious undertaking for us. We have already begun working on our projects: the North Caucasus Resorts Corporation has already been established; the federal government has already fulfilled some of its commitments by contributing USD 5 billion to its charter capital; an additional RUB 9 billion will be contributed in the near future. The total amount of additional contributions to the corporation's capital is expected to reach 60 billion. This will consist of investments which will be used to develop the internal infrastructure, plus resources used by private companies to develop the external infrastructure. We are preparing to offer private investors, including our anchor investors, an opportunity to access direct platforms to actively implement the resort development projects.

But as it turns out, one of the most difficult challenges facing us is resort employment and access to qualified personnel. The important thing is that we undoubtedly would like to create certain elevation mechanisms for our local youth: for the young people living in the North Caucasian Federal District. I will say it again:

involving the local population in the implementation of this project means creating certain elevation mechanisms, as well as favourable conditions for small- and medium-sized businesses directly related to resort development. This is not an easy task.

You know that the North Caucasian Federal District Socioeconomic Development Committee, which is now headed by Prime Minister Dmitry Medvedev, met just the other day. We discussed various issues. On the organizational front, a decision was issued to create a special working group within the Committee that will focus specifically on the issues related to strengthening the education system and the human resources training system that will supply corresponding specialists to North Caucasian resorts. As you know, North Caucasian Federal University is already functioning, and we plan to enrol our first students this year. One of the University's specialization areas will be the training of qualified personnel for our resort industry and for the development of North Caucasian resorts.

We are preparing a set of proposals for December. Our goal is to submit a state programme proposal to strengthen the North Caucasian Federal District, which will include specific indicators and numbers, to the State Duma for consideration by December 1. Subsequently, in 2013, we will begin implementing various measures. Personnel training and creation of certain elevation mechanisms for young specialists will be one of our most pressing challenges.

This challenge is proving to be quite difficult. We are currently faced with two important questions to which we must find answers. I hope that, during our discussion today, we will hear recommendations and proposals from our experts and all interested members of the audience. The main question is: how should functions be allocated? What must the government do to help train personnel, and what should be the purview of private investors who want to finance and expand this specific segment of the economy? Of course, investors must have a certain level of interest in this issue: to flourish, a company needs qualified personnel. What will happen? Will we have to bring in personnel from outside the district, or will we try to train the necessary specialists here, where the project is located? Russia already

has certain conditions in place: we have the Russian International Olympic University, the North Caucasus State Technical University, and other serious institutions that are already poised to restructure their curricula based on demand, including the demands of the North Caucasus. Our experts, including our Western colleagues, estimate that we are lagging about two years behind in terms of development in this sphere. We should have established training for required specialists and experts a while ago. But we Russians are great at catching up. In ten years, we usually race through development stages other countries take a hundred years to go through. The effects are not always consistent, but we hope that we will gradually meet our objectives.

The second question is very interesting: how do we ensure that, once we have created the necessary educational institutions, once we have set international standards, we do not find ourselves in a situation where specialists trained here move away and use their skills outside the North Caucasian Federal District? How do we retain specialists and make sure they stay and work on our projects? Because qualified specialists are needed everywhere and in every industry, not just in the North Caucasus region.

These, by and large, are the challenges we would like to discuss today. I am enormously pleased to thank our parent company, which is handling the North Caucasus Resorts development. We would love to get an expert opinion on this issue.

A. Volkov:

Thank you, Alexander. I hope to hear expert opinions on the questions you put on our agenda today: what is the purview of the state, and what should remain private in this sphere? Believe me when I say this is a pressing issue not just for the Caucasus, and not just for the resort industry. This global, philosophical issue in education currently affects the entire world. On the other hand, there is a tendency towards what I would call, to paraphrase, a 'qualification drain', akin to the brain drain phenomenon. Yes, we have trained people; but unless they have cool,

interesting jobs, we will lose them. At best, they will stay in Russia. At worst, they will move to other countries. These two unconventional questions are facing the tourism industry, the educators who train specialists, and the corresponding regulatory agencies.

Our panel has considerable intellectual capital that can be applied to solving this issue. I would like to ask the CEO of North Caucasus Resorts Alexei Nevsky to tell us in precise terms about the scale of required measures: how large is the issue we are facing by implementing such a comprehensive programme (not just one project, but an entire programme) in the North Caucasus? Please go ahead.

A. Nevsky:

Thank you.

Colleagues, I would like to briefly focus my remarks on the objectives the North Caucasus Resorts Corporation must meet in drafting a conceptual approach to the issue of providing human resources to the tourism cluster. In effect, we began working on this issue nine or ten months ago, after we were commissioned by Alexander to develop this strategy. Currently, we are getting closer to completing this work, so I will briefly discuss what we see as the main approaches to addressing this issue. Then we will exchange ideas, and based on the results of our discussion, we at North Caucasus Resorts plan to submit our proposals to the government, and hopefully receive its support.

I would like to say a few words about the tourism industry's place in the global economy. I do not have to convince you of the obvious, that tourism is a positive force, that it helps the economy and drives its growth. I will give you some figures. More than 9% of the world's GDP comes from tourism, while 8.7% of the world's employment is in the tourism industry. These are very conclusive numbers. During the recent session of the World Travel and Tourism Council which took place in Mexico, we spoke with representatives of Fonatur, Mexico's national trust for the promotion of tourism. The Mexican president gave us the following numbers: 30 years ago, the Mexican economy's dependence on oil was 65%; today, due to the

growth of the tourism industry and related spheres, this number is down to 16%. This is a clear, impressive indicator. Each USD 1 million invested in the tourism industry – or rather, spent by tourists – adds six times more new jobs than, say, the auto industry. In other words, this is a very effective investment.

Let us go back to the issue of providing human resources to the North Caucasian tourism cluster. Alexander mentioned a high demand for personnel: we must create 300,000 jobs by 2025–2030; in other words, by the time we begin implementing the project. Now, let us look at the current situation. The region is extremely rich in human resources: approximately 400,000 people could contribute to the region's economic growth by being employed in the tourism cluster and beyond. But after 2018, it will be impossible to meet the demand of tourism cluster development, and we estimate that by 2024 the human resources deficit will reach nearly 200,000 people. We face the real danger of a personnel shortage, not only in the tourism cluster, but in all industries of the North Caucasus region. We will face a shortage of labour in both the quantitative and qualitative sense: we must admit that currently, our education does not entirely meet the economy's demands. It is time for us to think about this, and to start taking measures to address the issues that will arise in the foreseeable future. This is what the strategy that we are nearly finished developing is designed to address. I must note that the low quality of work is caused by the absence of standards for personnel training in the tourism industry, the absence of high-quality training programmes, a shortage of motivation that plagues people working in the tourism industry, and the inadequate, shall we say, image aspect.

We had a number of vital objectives while developing this strategy. First of all, we based our work on the idea that the human resources market must not limit or slow the growth of the tourism industry. Our next basic assumption was that people working in the tourism industry must have the necessary qualifications and personal traits required to be effective in that industry. Next was the creation of career growth mechanisms for professional advancement; the formation of an open, accessible industry development information system; and the creation of favourable social

conditions for working in the tourism industry on the part of the federal government, such as tax breaks, medical coverage, and so forth. Without getting bogged down in details, I will summarize the main conclusions and proposals which we developed in the course of our work.

First, we propose that an industry training association be created (it could be called a cluster) which would link information resources and research and development education platforms involved in training the necessary personnel. The goal would be to ensure information exchange between educational facilities, and as a result to eliminate redundancies in operations and to reduce curriculum development expenses. Interaction and cooperation between various post-graduate and vocational education institutions would also increase.

I would like to add that another idea we consider crucial is the creation of a corporate university. I would call this training centre the single driving force in the sphere of personnel training created within one of the region's leading and highest-rated educational institutions. Alexander mentioned, among other things, the North Caucasian Federal University: this educational institution could very well become a corporate university. This university would need to have a strong teaching staff and be guided by the needs of real business, which would serve as the impetus for designing and updating curricula. This is a very important point: curricula would have to be based on the needs of business, rather than evolved out of some sort of theoretical speculation. The same university could – and ought to – handle personnel retraining, including training the teaching staff. It would be built on the framework of designing modern training programmes based on international experience. That is the first item. Secondly, the process would have to begin with training the teaching staff itself using contemporary international service and hospitality materials and standards: to train them in the hospitality industry, as it is generally called. As I have already mentioned, this university could become a conductor for international practices, after which this competence, this knowledge could spread to other educational institutions which train students for the tourism

industry in other regions. We also propose to train and prepare personnel, starting from the lowest rung of the tourism industry and ending with top management.

The next important action item is to build on the idea of open learning. I am basically talking about a system of continuously functioning advanced professional training courses where participants would have to have the ability to choose the time, place, and technology used in their education, and an opportunity to sign up for master classes taught by specific teachers, including foreign specialists who come to deliver a lecture or teach a course.

Another key question is the use of on-the-job training mechanisms. As far as hospitality specialist training goes, we can confidently say that this is one field in which practice must have priority over theory. The educational process would have to be designed in a way that would focus on practical training, including internships in hotels and centres outside Russia that could provide a model for our tourism industry. This practical training would need to be paramount. We can explain to our students a hundred times how a good hotel must function, but until they visit a dozen of the world's largest resorts and see how international hotel chains work, they will not be able to grasp the fine details. The devil, as they say, is in the detail. It is crucial for people to start from the bottom rung, such as working as a maid; to go through a trainee period, and to experience the required quality of service for themselves so that they know what it feels like.

Next, I would like to stress an important conclusion we arrived at in the course of our work: we must implement online distance learning mechanisms using cutting-edge computer technologies. This procedure has been greatly simplified in the last decade. The distance learning process has been somewhat discredited in terms of quality, yet it remains a cutting-edge method in use all over the world. I think that for young people who live in the regions we are trying to develop into the tourism cluster and who often cannot come to a large city – for those in villages and small towns – distance learning is an excellent way of rounding off one's education and joining the labour force involved in tourism cluster development. However, we must keep a close eye on the quality of distance learning, much as we would on any form

of education. We propose that this function be performed by an industry evaluation and certification centre or similar body. In practice, this would require a system of exam outsourcing, in which students who graduated from the corporate university, a distance learning course, or a course in secondary vocational schools with specialization related to the tourist cluster, would be required to be evaluated and certified by an independent superstructural body. This body might be located, let us say, in the Caucasian Mineral Waters region, a region that would be on the leading edge of high quality standards. As the company that manages special economic zones, the North Caucasus Resorts Corporation would examine the possibility of signing certain transaction documents and agreements with investors: an investor in a specific company would be required to hire certified personnel in order to ensure high service quality standards. Then this qualification centre would implement the policy of a single quality standard at an international level, either as a public organization or as part of a government programme and, quite possibly, with our participation, because the task of developing the tourist cluster must involve the construction of international-quality Russian resorts. This evaluation and certification approach is one of the key elements of our programme. This measure will ensure that tourism industry specialists comply with the particular requirements I mentioned earlier.

In closing, I would like to add that people will not want to work in the tourism industry (and unfortunately, opinion polls support this assertion) until the tourism industry and the hospitality sphere as a whole develops a positive image. If a profession has no prestige, people will not enrol to study it en masse. This is a vicious circle. I believe we must move toward implementing the strategy I described. On the other hand, we need campaigns to improve the image of the tourism industry. When large, respected hotel chains invest in our business, when global brands come to us with their pay grade and social benefits for employees and their career advancement opportunities, then our youth will see how interesting, prestigious, and meaningful this work can be. I do not think I need to tell you that our North Caucasian youth would consider an opportunity to go abroad on a

business trip or for an internship and see for themselves how the global brands in this industry really function, to be an interesting and prestigious proposition. I am sure that these measures will create high demand for tourism industry education.

The last issue actually goes beyond the topic of my remarks, which were focused on the goals related to supplying the tourism cluster with personnel. It is very important to note that the gap in availability of personnel for the North Caucasian resorts which will develop after 2018 also involves related professions. I am talking about agriculture, transportation, various consumer manufacturing professions, and everything connected with the production of related supplies.

We must understand that unless we meet this challenge and begin training the necessary number of agricultural, transportation, and other specialists today, the entire impact that the North Caucasian tourism cluster has on the economy will only benefit the regions which already currently have solid foundations. For example, Krasnodar Territory already has a very powerful agricultural system. What will happen is that we will build the tourism cluster, but Krasnodar Territory, with its already sufficiently developed agricultural industry, will be the one filling our orders for agricultural products and experiencing growth in the jobs sector. And the same thing will happen in other spheres. We must understand our prospects now – and not just understand them, but actually address them, with state support, of course. We must develop specific mechanisms, a specific action plan, and specific measures aimed at building human resources not only in the tourism industry, but in related industries as well.

Thank you for your attention.

A. Volkov:

Thank you, Alexei. Based on your remarks, we can say that the Corporation's education agenda must be, at the very least, comparable to its construction and operational agenda.

A. Nevsky:

Yes, exactly.

A. Volkov:

You are describing quite a massive scope of activities. Now, I would like to consider the issue from a different perspective. I would like to invite the World Tourism Organization's Regional Director for Europe, Isabel Garaña. Here is my question: Alexander was correct in saying that tourism is now a global industry (and by the way, in his address earlier today, President Putin stressed again and again that, whether we like it or not, in the last 25 years we have found ourselves in a globalized world). It has happened right before our very eyes. So, my first question is: what is the present condition of the global tourism industry? What is considered mainstream? Are we lagging in designing various approaches and types of tourism? Are we missing something important? Secondly, I am not sure how deeply you personally are informed about our plans, the Russian Federation's plans for the North Caucasus region. Still, I would like to ask: will we be welcomed in this market? On the one hand, the Caucasus undoubtedly has a unique culture, a unique climate, and unique geography. These things are very rare and captivating. But on the other hand, we cannot say that tourists from around the world are lining up to visit the Caucasus. What is your organization's perspective on this issue? Please go ahead.

I. Garana:

Thank you very much for your presentation. Good afternoon ladies and gentlemen, Deputy Minister, distinguished members of the panels. Let me first of all convey to you the warmest regards of Mr. Taleb Rifai, the Secretary General of the UNWTO. He is very honoured and pleased that we are invited to this very prestigious forum indeed. Our links, our work with the Russian Federation are very, very close. Our counterpart is the Federal Agency for Tourism. They are true colleagues of ours. Our cooperation with Russia is very, very tight. Russia is one of our most relevant members, and I see that there are a lot of projects on-going and the potential of the

Russian tourism industry is going to continue growing. What is happening in the world tourism industry? Mr. Nevsky has already referred to some impressive figures: tourism is the major economic driver for growth and employment. So, certainly it accounts for 9% of gross domestic product worldwide. In Europe, it is the third economic activity after banking and construction. It is a very important job creator because it accounts for 8% of global employment worldwide. We have to take into account that each job in the tourism sector is estimated to create up to two more jobs in other sectors. So, it is a very powerful engine of job creation, and there is a figure that is very astonishing: that tourism plays a major role in international trade. Exports from international tourism, including passenger transport, reached over USD 1.3 trillion in 2011. Last year was not exactly a very booming year in economic terms, and yet we had tourism contributing USD 1.3 trillion dollars. Certainly, it is a very important sector, and it will be a very important sector in the years to come. For 2012, we are forecasting an increase of 2–4%, but we have to review this increase because the performance of tourism in the first month of this year has overcome this initial forecast. Also, we launched last year our forecast for tourism up to 2014, and the potential of the industry in the years to come is enormous. We have to take into account that in 2012, we are on track to reach an important milestone by October or November. One billion international tourists will be crossing borders in a year, one billion travellers. That means one seventh of the population worldwide, and this is happening this year. We have to take into account that one billion people in 2012 will be crossing international borders. In 2014 – as I was telling you, we have launched our forecast – there will be 1.8 billion tourists crossing international borders. In Europe alone, it is going to be 750 million international arrivals a year, almost three quarters of a billion just in Europe. We always like to refer to these figures to show the importance of working in tourism, to show the importance of supporting this industry for the economic growth of all countries. All countries in the world are certainly betting very much on the tourism industry. All the countries' brand strategies are very much focused on tourism to be their brand, because through tourism promotion, you can show visitors the main features of your country,

and also the visitors that come to the country as tourists are the best ambassadors for the country afterwards. That is why it is very encouraging to see how Russia is improving its tourism industry, and is developing in other segments. Certainly, the segment of winter tourism is becoming very important in Europe. I used to travel very often, I had a lot of meetings in other countries, and a lot of countries are betting on winter tourism for many reasons. First of all, it is a very good way to correct seasonality. In many countries, especially in the part of Europe where I come from, the western and Mediterranean countries, there is a problem of seasonality. So all these countries are very keen to start developing winter tourism. Mountain tourism has a very important future in the years to come, so certainly we encourage you to go ahead with this project. Certainly you have all our support.

I have been asked to talk a little bit about the main problems and trends in the tourism industry. I am going to focus mainly on Europe, which is my region. I am the Regional Director for Europe at the UNWTO. Europe is the number one tourist destination worldwide, in terms of both outbound and inbound markets. In 2011, Europe alone received 502 million international arrivals, 41% of all the international arrivals worldwide. The increase in tourism in Europe in 2011 was 6%, but I have to tell you that the main performer of the tourism industry in Europe was Central and Eastern Europe. Russia especially was a very standout performer. Russia now ranks 13th among the most important tourist destinations. Thirteenth worldwide I think is a lot. Last year, almost 28 million tourists came to Russia, a two-digit increase in comparison with last year, about 12%. Many countries are also looking to Russia as an outbound market. Russia is one of the famous big countries, so all of Europe is trying to get tourists from Russia, because Russian tourists are very much appreciated abroad. The other day – I am Spanish – I was listening to tourism officials responsible for my own country, and they are expecting to increase this market by 40%, so everybody is looking very much to Russia, everybody is very much aware of what is happening here. It is very good for Russia also to increase the outbound market, because the more Russians go out of the country, the more Russians who travel, the more your country will be promoted, will be better known

abroad, so you will increase the number of visitors you receive. So, that is why it is important also for Russia to be a very important outbound market. Certainly, we are the first worldwide tourist destination; we are forecast to continue growing until 2013 at an average of 1.8% per year. That means that in Europe, we are expecting to receive 30 million more tourists annually. We are going to be adding to our tourism market. But this is a mere forecast. We have to work very hard for that to become not a mere forecast, but a reality because Europe is facing very fierce competition from other countries, from other regions that are increasing their tourism performance. Everybody is working in tourism, which is why many countries are fighting hard to become very powerful tourist destinations, as Europe is now. That is why it is very important to work at a regional approach. President Putin was very certain when he talked about this in his opening remarks: that regional cooperation is very wise and very important, and Russia is very much working on regional cooperation. This is also the way we try to work in the UNWTO with other countries, to very much increase regional cooperation.

We have to take into account several factors. There are some demographic changes in Europe, so this is going to affect our industry. People start travelling early now. There are a lot of young travellers. Winter tourism and nature tourism products are very much focused on young travellers, as all the time there are more people who start travelling at a younger age. Global development is key to compete in a globalized market, that is why it is very important to understand our features, what we have which is different from the rest of the destinations. I think the person who spoke first said that the North Caucasus is unique, so certainly it is very important to promote this uniqueness: what is unique is what is important, and what is relevant. It is very important to involve all the stakeholders of the tourism industry in this process, in product development. In tourism now, essential everywhere, everywhere, is the public-private partnership. In tourism they cannot talk any more about the private sector or public sector. The way to work in tourism is together, because public administrations can help the private sector to promote the products, can go together to sell the products, but the public institutions do not have the

products, the products are in the hands of the private sector. That is why it is important to share the products, also to share the risks and the benefits, and the private sector must be very involved with the public sector because it is a very good opportunity. They can reach more markets.

We have to take into account how important knowledge is. It is very encouraging to hear that you are clustering good universities with innovation centres. This is the way to work in tourism. You have to design tourism policies based on knowledge. It is essential to know the profile of the customer, it is essential to know the market, why people are supposed to come to Russia, why they are not going to Switzerland, what we can offer to them to choose our destination instead, in first place. That is why knowledge is very important, and it is very encouraging that you are creating these corporate universities. We think that working with universities is always very good. We have a knowledge network of 150 universities worldwide, because the tourism industry must always be supporting knowledge in order to be successful, and also to be supportive of technology. That is why human resources are very important. Tourism nowadays is a very high-tech sector. All of the sector's operations are based in technology: the relationships with the customer, the internal operations of the company, how products are sold: the channel distributions are online. Tourism is global, it is an industry which operates 24 hours a day. Now the board game is worldwide because of the Internet, so we are operating, we are open 24 hours a day through technology. This is a very big challenge, but at the same time a very big opportunity. It is also a very big opportunity for Europe's sustainability. Tourists' sensitivity to sustainability is constantly increasing. Tourists are always looking for sustainable places. This is somehow taken for granted. They are not going to pay any extra to go to sustainable places and I think the way to drive the development of these new products is to be extremely sustainable. That is a guarantee of success.

Why are people going to come to the North Caucasus? We need to promote the place; the branding and marketing is essential. If something is not promoted, it does not exist, because as I have said, the competition is very fierce. That is why we are

saying that we very much support the Sochi Olympics. They are going to be an excellent opportunity for the world to get to know winter tourism in Russia, and the excellent, very high level of infrastructure. And for sure, a lot of things are going to start happening afterwards, but the power of such an event is a matter for another panel, the impact of a big sporting event in a country. This morning we were talking with some of my colleagues about the importance that one sporting event like the Olympics in Barcelona had for my country.

I think I should be finishing now. But with all these challenges regarding sustainability, marketing, knowledge, and product development, the main challenges are in human resources because tourism is an industry of people, it is run by people, it is oriented to people. In tourism, people are moving all the time. That is why human resources training is essential. We always used to say that a happy visitor tells five people, or will talk about their destination with five people, while one unhappy visitor tells seven. That is why it is so important. Just to be brief and perhaps we can talk about it later, but I fully agree and was going to refer to those strategies that you have already talked about: the importance of staff training, both at the managerial level, and at the same time the workforce, the importance of the tourism industry becoming a very attractive sector to work in. There are some drawbacks, some prejudices due to the seasonality, the hard conditions, the low wages, but certainly it is a very powerful industry and it is very important to develop a good career path. It is essential to establish very good qualification standards, systems of certification, to train teachers, to establish links with international institutions, and to establish well-equipped training centres. So, this is mainly what I wanted to say. I am very eager to continue learning from the other panellists, and you can be sure that in the UNWTO you can count on us to develop this.

A. Volkov:

Thank you Isabel, thank you very much for your contribution and I will switch to the Russian language once again.

A. Volkov:

Of course, Russia would love a piece of this billion-tourist pie, but first we have to do a great deal of work. Since we are currently talking about human capital and specialist training, I want to invite the Ministry of Education to join our discussion. Of course, this might be a bit unfair to you, because the Ministry team was formed literally a few days ago. Right now may not be the time to shift responsibility onto their shoulders. Still, Alexander, in your opinion, what should the Ministry do? What part should the federal centre play in our ambitious plans, which were described, in part, by Alexei? What is the purview of the state, to quote Mr. Khloponin, and what should remain in the private sector when it comes to personnel training and other areas? Please go ahead.

A. Klimov:

Thank you, Andrei. I would like to add another enlightening item to our panel's agenda: in addition to discussing the division of labour between the state and the private sector in the sphere of developing the human resources of the North Caucasian Federal District, we should talk about the division of labour between federal and regional bodies. Yes, we do have a brand-new team: the Ministry's entire management team has changed completely; but we are ready to accept responsibility for the Ministry's decisions. We have spent the past month actively working to shape the new agenda. On June 15, we submitted the draft of a state programme to improve education, which has, as our colleagues will see, completely new ideas.

I would like to break my remarks down into three parts. The first is, how do we define post-graduate education? How do we define professional training in the North Caucasus region? How do we plan to implement the strategy, which will be ready by December of this year and most likely approved, then put into practice, before 2025? Let us talk about post-graduate professional education. What is the Russian Federation doing in this regard? First of all, the federal government has created the North Caucasian Federal University. The federal budget is slated to allot RUB 5

billion to the North Caucasian Federal University development programme: that is RUB 1 billion a year. The total volume of funds earmarked for this programme is RUB 7 billion. Then a question arises in connection with this state/private and federal/regional crossroads. I must say that so far, we have not seen a unanimous and unequivocal agreement from the regions to take part in financing this programme. Here, we are faced with a very interesting question which often comes up in discussions of post-graduate education: should people be expected to co-finance their own education? In many countries, students co-finance their education to various degrees. We are not even talking about financing post-graduate institutions; we are talking about responsibility. For example, if an individual or a regional government has financed a programme, if they have participated in the important undertaking of developing the Federal University, we think they will have a mutual sense of responsibility. This responsibility allows us to consider various points of cooperation in terms of how the Federal University will develop in the future, and what the Federal University can offer Stavropol Territory, as well as the entire North Caucasian Federal District. I will admit that this is a difficult task: after all, federal universities designed to help develop federal districts have yet to produce this type of cooperation with heads of local constituent entities within the Russian Federation. I think this is a very serious problem. We cannot build a federal university in each district of the Russian Federation, but we must address the question (and we build this into our programmes and require federal universities to comply with this) of methods and resources through which the federal universities will benefit all districts, including the North Caucasian Federal District.

Another post-graduate professional education programme that has already been financed, and will receive additional financing from the federal budget, supports post-graduate institutions which have created development strategies and won a competition. The North Caucasian Federal District has four traditional universities of this kind. We will be fulfilling our obligations for this year, between 220 and 300 million over three years: the funds have already been allocated. But then we must ask the question: what do we expect from local governments? I would like to

address our esteemed colleagues who are here today, and ask local leaderships to take an active part in supervisory boards and appoint government officials to expert committees. Why? Because unless we participate in the Federal University's governance, it will not give us the returns we might expect. I believe we must consider two crucial points together. The first point is, naturally, the entire agenda and action plan of all universities: the Federal University, universities receiving additional federal financing, and universities that do not receive federal financing at the moment, but are financed by other means. They must be rigorously and unequivocally dedicated to promoting the state programme for development of the North Caucasus region that will be formulated and, I believe, approved in the near future, before the end of this year. No one is better positioned than universities to handle the brunt of the workload related to providing personnel training, scientific assistance, and scientific methodology support to vocational technical education and apprenticeships, which are also in need of support and development.

One more point that, I think, must be considered when discussing the North Caucasus region's post-graduate education system is the question of internal mobility. I believe that we must rely on the leading post-graduate institutions which receive additional financing from the federal budget to address the issue of giving students access to plain, ordinary academic mobility. We must ensure that universities undertake joint projects, and that students from various regions have the opportunity to, let us say, transfer to a university in another region of the Russian Federation for one semester. In our opinion, this is an extremely important tool for creating the lateral relationships required to meet the challenges set by the state programme to develop the North Caucasus region.

Now I would like to say a few words about personnel training. The Ministry is currently drafting a government decree to allot RUB 500 million over three years to improving the vocational technical education and apprenticeship system in the North Caucasian Federal District. In my view, this is an unprecedented government decision: we have an entire programme dedicated to improving the vocational technical education and apprenticeship system in the North Caucasian Federal

District. I am not sure whether you have noticed this, but in recent years the Ministry simply has not had enough people handling the issues surrounding the development of vocational technical education and apprenticeship. A special department has been created by order of the new Minister to deal specifically with cooperation with the regions in the sphere of vocational technical education and apprenticeship. To my mind, this is a kind of sign. Of course, without the regions' help, we will not be able to implement the strategy we are currently developing and the very ambitious plans to stabilize the regions' professional training system. What kind of help can local governments provide? Take, for example, professional qualification certification centres: independent bodies that evaluate the results produced by the vocational technical education and apprenticeship system. Of course, we will not be able to build this modern system without your specialists, without the people who shape the tourism industry standards and standards in the sphere of developing modern infrastructure and addressing other economic development issues facing the regions. In fact, the Decree states that by May 2013, we must jointly draft a proposal to create resource centres that will define trade qualifications and allow us to make a serious qualitative leap forward in the sphere of personnel training in the North Caucasus region and across the Russian Federation.

In conclusion, I would like to say a few more words about my perspective on the support structure for the projects we have talked about which are aimed at developing tourism and other industries of the North Caucasus region. The Presidential Programme on training managers, which actually includes the North Caucasus region, is a great case study. Last year, the Ministry of Economic Development implemented this sweeping programme to train managers for Russia's education and healthcare sectors with methodological support provided by the Ministry of Education and Science. I believe we can use this programme as a model for the quick and effective personnel training necessary for the implementation of projects that make up the North Caucasus regional development programme. This includes project-based training, cutting-edge technologies, internships, and an

active role for experts in the education process. In our opinion, we should use this experience to quickly and effectively train people who will work in these newly created economic sectors, as well as public servants responsible for the development of these sectors. It would probably also be a good idea to discuss the creation of a management personnel reserve and training of top-level executives.

A. Volkov:

Thank you, Alexander.

In any case, we can see that the government, represented by the federal centre, will provide targeted support to programmes focused on training personnel in the North Caucasus, considering the particular interest in this region. Since we have limited time, I want to address my question to two speakers simultaneously. Our panel includes representatives from the Hotelschool The Hague and the Service Quality Institute in the United States: Mr. Clemens Berendsen and Mr. John Tschohl. Gentlemen, here is my question. On the one hand, tourism is always a local phenomenon: a specific location; a specific region; specific mountains; a specific beach. Therefore, the people who design the service infrastructure must understand the local conditions. On the other hand, tourism is obviously a global phenomenon, because quite often (and this was mentioned in the World Tourism Organization's report) it involves a large turnover of people who do not live in this location. How has the training structure changed? I realize you will not be able to talk about this in detail, but what do you see as the main challenge facing educational institutions? What, and how, do we teach students in order to meet this challenge? And the second issue, the one with which Alexander opened our discussion, is the question of what the purview of the private sector is and what the purview of the state is. Is this training an exclusively private undertaking, or can you see obvious benefits and advantages for the public sector that would necessitate government financing or co-financing? If possible, I would like to ask you to answer these two questions. Mr. Berendsen, would you like to go first?

C. Berendsen:

Yes, of course, it is an interesting question and it is also a challenging one. What should employees know? How should they be trained to work locally within a global environment, with local guests and local people visiting? One of the challenges was already mentioned, I think. When people are trained and can get a better job, they move along again and you start over with training new ones. The challenge is, I think, to train people in such a way that they get to understand their guests, that they really are interested in the people that are visiting and are able to deal with the needs and wants of those guests, because that makes the employees satisfied with their work and it makes the guests satisfied with the services of the company. It will spread the word, guests will come back, they will talk to other people about where they have been. But the main challenge is to make people aware of their position, of the advantages of their local community, of the local assets, and to enable them to translate those to the guests, but also make the guests feel at home so that they will spread the word. I think that that is one part of the question, and the turnover of employees is really an issue. We know that for many countries where people get trained, it is often a matter of money, getting a little bit of a higher salary and they move along again. I think that the industry should also be involved, because otherwise, at least from our point of view, from Hotelschool The Hague, we always work together with the industry because they are the basis to train students and it is best to avoid the problem where students move, or employees move over to other companies. It helps a lot to involve the industry and have a long-term training programme for employees, not only training them in what they need to know in the short term, but giving them the opportunity to improve, to have continuous training, to be trained in other disciplines, and to bind your employees to the company and avoid the problem that they move on. There you can build an atmosphere within your company that helps to service your guests and create a good image. Could you repeat the second point of your question?

A. Volkov:

The second part of my question was about the combination of public and private in education.

C. Berendsen:

Hotelschool The Hague is a public school, so we are funded by the Dutch Government, but we also have quite a bit of experience with publicly and privately funded programmes. I think if you look at the objective of the North Caucasian region to develop the economy there and use education and skilled people to develop the tourism sector there, I think there is a public interest in that, because it helps the region and therefore also the government and the people living in the region to improve their economic situation, to get dynamics in the economy. I think that is a joint responsibility for the government, for the public sector, and for the private sector, because both gain from such a project.

A. Volkov:

But to be precise, in particular in your school, can you share how much money is coming from the private sector, and what part of the budget is from the public sector?

C. Berendsen:

It is not that secret. That is an easy one. I think 80–90% of our money comes from the government.

A. Volkov:

Okay, good to know. I would like to invite to the discussion Mr. Tschohl. I would like to pose the same question to you. What is the mainstream issue in management of the tourist industry, and what is the combination of public and private?

J. Tschohl:

First of all I think we need to understand this as a strategy of how you really grow the economy, and the problem is that a lot of owners of companies do not understand the service strategy, they do not know that money falls from the sky if you really master the service strategy, and I am talking about both the government and the private sector.

Secondly, you have got to look at some of the policies and systems that you have got in place, that make it very difficult first of all for people to enter Russia and then for people to just do business in Russia as a tourist. So, it might cost USD 400–500 and take several weeks to get a visa. Why do Russians go to Egypt and Turkey? There are two simple reasons why. One is that the visa is not a problem, you get it at the airport, you pay USD 10 and they do not have any problems. So firstly we need the government to be involved to understand what are some of the policies and procedures and systems that we have got to change, in Russia, to make it easier for people to do business here, to enter the country; and number two, for all the different businesses to make it really easy. See, you could have the nicest people in the world, but you could have the stupidest policies and procedures that just alienate the customers.

The third thing that you have got to do is to make sure that the total workforce is empowered, so that they can make very fast decisions on the spot in favour of the customer. If you have more happy customers, people come back, that is how word-of-mouth works. With social media right now, the average user on Facebook has 130 friends, so when there is a positive experience or a negative experience, a lot of people are hearing about it, that is why it becomes viral very fast.

The fourth thing that you have got to do, and we talk about training, is you have got to make sure that you are really developing the total workforce. That means management, the janitor, the security guard, every single person, no exception, and not just at resorts. So you start in the North Caucasus region. You enter the airport, the bus terminal, the train terminal: how many of those government people, when you enter, have a smile on their face? You know, one of the problems in Russia is that it is against the law to smile! We need to create this environment where you

create a region where you experience heaven, and you say, "My God, this is really a cool place to go!" So, we need to educate and build the whole workforce, and we need to use tools that can be employed on site that work, that change behaviours and attitudes. If you do not change attitudes and behaviour, all this stuff is for naught. You have also got to teach the skills and the art of customer service. Now here is the good news, it is not complicated. It is not complicated, but if you look at the Olympics coming up, your team will win the gold only if they master the fundamentals, and a lot of them are going to screw up in the process, because mastering fundamentals is very, very difficult. Then you have got to build employee morale and teamwork. Why do people leave, why do they get disillusioned? Because nobody gives a damn. The lower you are in the company, the less you are appreciated, the less you are wanted. So, we want to reduce employee turnover. If we want to make the job exciting, that employee, maybe it is a security guard, the janitor – I am just rattling off jobs here. If you look at the security guards, and I mean there are zillions of them there, they all look like they died! And that is typical of most Russian organizations, and it is typical of every country in the world by the way, so it is not just Russia. See, you want to develop these people. It has to be every single person, and you have got to go beyond the resorts. So you have got the government, the private sector, you have got the taxi cab drivers, you have got the retail stores, you have got the hospitals, you have got everybody that has to be changed.

Here is the problem that we have with education. We think we are going to take hundreds of thousands of people and one of these institutions here is going to develop a course. So, we are going to dip those employees in this magic course, and they are instantly going to change 21 years of attitudes, habits, and conditioning because they went through some kind of a magic training programme. If you want to create a service culture in the North Caucasus, you have got to do stuff, fresh stuff, new stuff, and it had better be every four months or something short, but high intervention, and the material that you use had better be really, really good. It has to be fun, it has to be exciting, and it has to be entertaining. One of the problems that

we have with the development of people is we use stuff that is too complicated, it is boring, it is dry, and it is dull and the guy goes to sleep. You have three seconds for the customer and in those three seconds they can tell whether you love them or whether you do not. So, we have got to teach fundamentals, we have to change the mind-set from when somebody walks through or telephones. For example, last night I called the operator at the Marriott Courtyard. It took 50 rings for them to answer the phone. They have a lot of people. What we need to do is teach fundamentals, and we need to create this environment where I understand that my job is to take care of a customer, whether it is on the phone, whether it is in person, over the Internet, so when somebody touches the North Caucasus region they say, "My God, this is better than any other place in Europe, this is better than Latin America, this is better than Moscow. I love Novosibirsk, I love the North Caucasus!" This is how you create word-of-mouth advertising.

Now in Singapore, you asked about funding, Singapore is the only country I know of that aggressively funds the focus and has forced the focus of development on people. Now you have got to remember that if you look at the map, where is Singapore? You have got to use a microscope to find it, because it is such a tiny little country, it has got about 4.5 million people. In the North Caucasus, you have got a lot more than 4.5 million people, and the government drives the service quality message and it is funded by government and it is enforced by government. So, we need to do the same thing in the North Caucasus, so that government and the private sector are working together to understand that if you have a highly developed workforce, high performing people, that is how you create this additional revenue. So those are some of the concepts I have that I think work, and in terms of whether people are from the North Caucasus or not, I really do not think it matters. When I go to a hotel, when I am entering a taxi, when I am entering the airport, I want a smile, I want somebody to communicate to me within seconds that they love me, they appreciate the fact that I am there. I do not need them to give me an in-depth tour of their city. What I am looking for somebody that shows that they really, really care, and that is how you create that word-of-mouth advertising.

A. Volkov:

Thank you, Mr. Tschohl. I appreciate your point about this cultural and behavioural issue. It is really, really important for our discussion, thank you very much.

A. Volkov:

Colleagues, we have enough time for literally two or three questions for our esteemed experts. Some of them represent the government's position; others represent the Ministry's; some are here on behalf of corporations. We also have experts in the field of education. Go ahead. Please introduce yourself.

W. Weinz:

Yes, thank you very much. My name is Wolfgang Weinz. I am from the International Labour Organization in Geneva, Senior Hotel Technical Specialist there. I can just follow what my American friend started to say. The most important thing in tourism is service quality. Mountains, sun, lakes – a lot of other countries have these. What you remember in the end is how you have been treated. I mean just to give you a practical example: I lost my luggage last night. When I arrived at the airport, I had to fill in seven papers, and write four papers with the same text to request my luggage. I put in one word which was 'book', and the girl asked me what the title of the book was. And I said, "What?" Yes, some books are not allowed here. I said, "It is Karl Marx's Manifesto."

So, to illustrate this, my children, when they were quite young, 14, 15, 16, they made assessments of the resorts, the hotel, and the restaurants. They told me how much tip I should pay. Why? Because children have a natural feeling, a natural talent to feel if something goes right or wrong. They feel it already in the reception room: if the receptionist had just had a fight with the manager, if the waiter has just had a problem with the cook, if the cook has just had a problem with the manager. You go back because the kids decide where you go next time: they not only decide the tips, they also decide where you go the next time. Why in Switzerland do we go

with kids not to French restaurants, but to Italian restaurants and Spanish restaurants? It is simple: because the waiters are more easy going. The waiters have a better sense of humour, the waiters do not mind about what goes on. So, what I want to say is this. Service quality is a complex thing and an easy thing. You need a qualification in technical skills, certainly. My children do not care if the plate is left on the left side or the right side. That is not important. The glasses have to be clean, but the rest needs to be relaxed and nice. So service quality depends less than 50% on technical skills. More than 50% is passion, behaviour, attitude, etc.

Now, the question was always here at this panel, how do we get this? By the way, this sector is for us – the ILO, International Labour Organization – interesting because it creates jobs for young people and women. Why and how do we get this problem with service quality? And why do we have such a turnover? People are leaving everywhere in the world. It is not only a Russian problem. It costs the industry millions every year. But they are leaving, and the answer when I talk to managers is always the same. We are not attractive enough. That is also what the Tourism Minister tells me. We have a bad image. Now here is the problem. The real problem is that you will lose not only money, but also service quality because you are losing well-educated and well-trained people.

How to overcome this, how to solve this? It is money, but it is not only money. Tourism is one of the lowest-paid sectors in the world, but it is not only money, it is something quite different. Tourism is a people's business. People serving people. If you treat your own people badly, they also treat the customers badly. And then you have a real problem. It is not only that you do not make proper money; it is not only that this tourism is not sustainable; it is also that the people will leave their jobs, you will lose money, and the customers will not come back. How to overcome it? Very quickly, we need in this industry, a people's industry, something which we call at the ILO a 'social dialogue'. It means proper, civilized relations between workers and employers, between hotel workers and managers, between industry and unions. Because you have in this sector a lot of problems which are sector specific, which you cannot change: overnight work, long work, weekend work, work during holidays.

These are a given. But what you can change are the working conditions, payment as well, working conditions on shifts, on occupational safety and health, on special care for women, on questions of limiting the working hours. We have an ILO Convention that nobody knows about, number 172, which is a minimum standard on working hours per week, per day, per month, per year. We have tool kits and experience on how to develop and how to run a smart, intelligent social dialogue. All this we call decent work and we have tool kits for small and medium-sized enterprises. We have backgrounds on migrant workers which will be an issue which will definitely come up with the Olympics, and we have to think about this. We also have contacts with big hotel chains, where we have already supported a development of proper, civilized social dialogue. Finally, on training, I would say successful countries, let us take as an example Austria, our neighbour, have a mix of training. It includes vocational training, where you need to develop qualifications especially for the demand from small and medium-sized enterprises. Then you have private training, because in a lot of countries, the hotel chains take care of the training because they have a lot of money to do this. So, a mix of both depending on the individual situation would be useful. Thank you.

A. Volkov:

Thank you very much. Unfortunately, I cannot ask our panelists a question here; that was a statement rather than a question, and it is hard not to agree with what you are saying. Thank you very much.

We have time for literally one more question. Can we maybe hear from residents of the Caucasus? We would love to hear your questions or opinions. Please go ahead.

O. Kutsenko:

Good afternoon. I am Olga Kutsenko from the Association of Young Entrepreneurs of Russia.

You know, to expand on Alexei's remarks, I would like to offer a few ideas. First of all, in my opinion, when we talk about the cluster, its main strength is in its

synergistic effect. And I think the cluster's key objective, in addition to the Association, must be the creation of an international educational centre specializing in tourism within, let us say, the Federal University, because we currently have no such centres in Russia. In addition to addressing the issue of human resources, this would also go some way toward addressing the issue of the North Caucasus region's image, because people from Siberia and the Far East who want to work in the tourism industry will come here, to the North Caucasus, for their education. Once they have discovered the North Caucasus region for themselves, they will return as tourists. We can say the same thing about international tourism.

Secondly, I think a knowledge hub needs to be another key element of the project: we must gather the best knowledge and best practices in the sphere of tourism across Russia and pass them down through education. I know Skolkovo is working toward developing a knowledge hub. I believe we could collaborate on this.

And thirdly, earlier today, our colleagues from the Agency for Strategic Initiatives introduced a global education programme and a road map for the development of the IT sphere. It might be a good idea to do the same with Russia's tourism industry, because we already have a general idea of the trend and an understanding of how to apply this matrix. I believe this would be a great element in the strategy aimed at addressing the issue of the tourism cluster's human resources.

Now I will say a few words about what can be done in the near future. This is a comment for the Ministry of Education and the heads of the Republics. The Federal Agency on Youth Affairs has now become part of the Ministry of Education. Over the last two years, the Karachay-Cherkess region of the Kabardino-Balkar Republic has seen implementation of the 'You Are an Entrepreneur' programme. If we are saying that tourism is currently the region's key industry, I propose that we use the North Caucasus region as an experimental platform, and develop the 'You Are an Entrepreneur' programme specifically from the perspective of training young entrepreneurs for work in the tourism cluster.

A. Volkov:

Thank you very much.

Yes? Very briefly, please.

A. Nevsky:

Yes, I will be very quick. I simply wanted to express my complete agreement with the international character of this core corporate university, so to speak. In addition, it must definitely be created in very close cooperation with the world's leading hospitality schools, possibly in the form of a joint venture. That is because we tend to make the same mistake over and over: we like to reinvent the wheel. If a good practice already exists, whether it is in the West or in the East, we must unequivocally use it; we must not be ashamed of copying it. Of course we will have to adapt it and update curricula, but borrow it we must, without a doubt. Thank you.

A. Volkov:

For my part, I need to respond to this very important comment. That means I will have to step beyond my role as a moderator, and provide a subjective, rather than objective, opinion. By the way, I am not trying to rebuke the Ministry, but only to offer a comment.

The decision to create the Federal University in Stavropol was great for Stavropol, but I agree with you: it would have much more impact to organize something close to the Caucasus that would address the needs of the Caucasus region. Tourism is an independent industry that has not been seriously developed in our country, especially in this region. The emergence of a new corporate university that would teach tourism management would be of enormous help. I have mentioned my position to Alexander, so this is no secret. This is my own personal opinion, but it would be a crucial factor in the initiative undertaken by the government: the creation of an infrastructure, that is, ski resorts, and the work undertaken by the Corporation to develop the North Caucasus region. This might sound clichéd, but time after time, we make the same omission in our large-scale projects: without this human component (as fairly noted by our colleagues in the US and the Hague), without this

attitude, all our great work can turn out to be ineffective, to say the least. We must dedicate ourselves to this in special ways.

Unfortunately, we have only just scratched the surface in discussing branding, positioning, and other similar hard-to-define concepts. But I think today's discussion has opened a new chapter in the large-scale project undertaken by the Government of the Russian Federation and the North Caucasus Development Corporation. I hope the Forum will serve as a starting point for other discussions of this project in the Duma and the Ministry of Education, as well as in the expert community and the governments of republics.

Thank you for your interest, questions, and input into our discussion. Thank you.