

Russian Economic History

Lecture 8: Collapse of the Soviet Economy

Econ 472

Spring 2019

Soviet Collapse

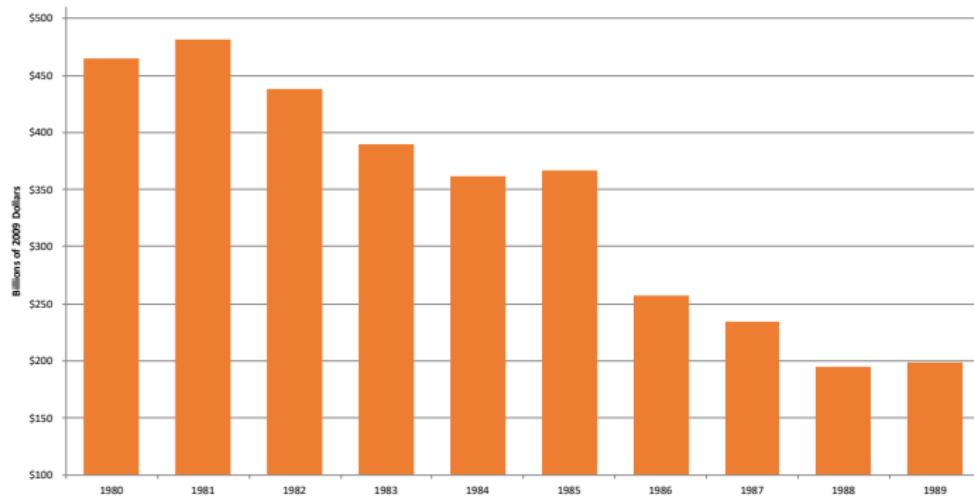
Collapse



Soviet Collapse

Resource Rents in the 1980's

Resource Rents During the 1980s



Soviet Collapse

CIA Growth Estimates

CIA Estimates of Average Annual National Income Growth Rates*

	1951–55	1956–60	1961–65	1966–70	1971–75	1976–79	1981–85
USSR							
1967 Estimate	6.8	6.4	4.7				
1982 Estimate	5.5	5.9	5.0	5.2	3.7	3.0	
1990 Estimate	4.9	5.5	4.8	4.9	3.0	1.9***	1.8
OECD:							
United States**	4.2	2.3	4.6	3.1	2.3	4.4	
Japan**	7.2	8.6	10.0	12.2	5.0	5.9	
France**	3.7	5.0	5.8	5.4	4.0	3.7	
West Germany**	9.2	6.5	5.0	4.4	2.1	4.0	
Total OECD**				5.2	4.8	3.1	4.0

* Gross National Product for USSR; Gross Domestic Product for OECD countries

** From 1982 estimate

*** For 1976 to 1980

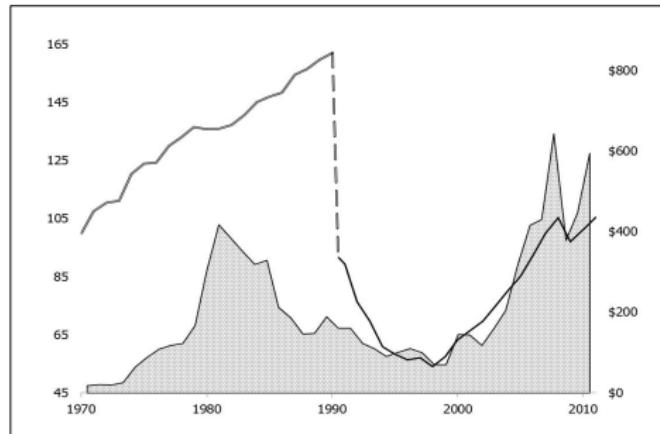
Sources:

1967 estimate: Central Intelligence Agency, "Soviet Economic Problems and Prospects," NIE 11-5-67, May 25, 1967, 3-4, CIA Freedom of Information Act Electronic Reading Room [CIAFOIA] (<https://www.cia.gov/library/readingroom/>), Document no. 0000272916.

Soviet Collapse

Rents and GDP Paradox

Soviet and Russian Resource Rents and GDP



Russian Transition

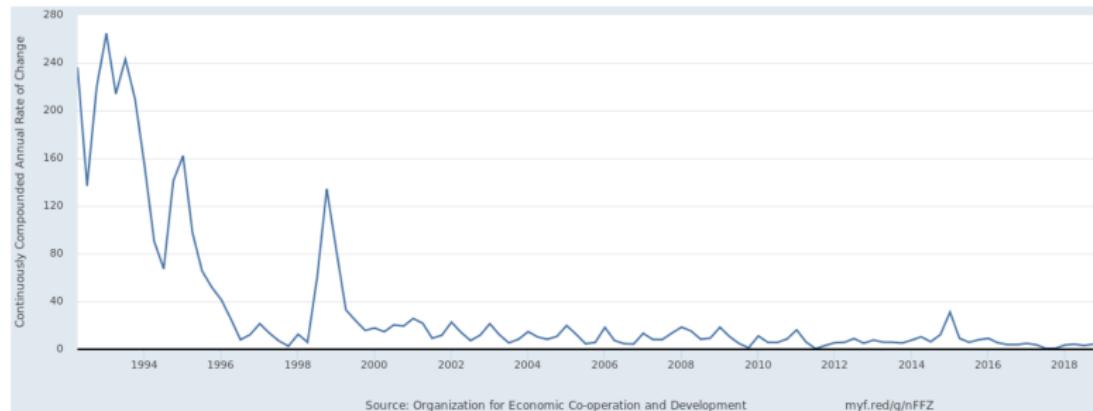
Architect of Reforms

Yegor Gaidar



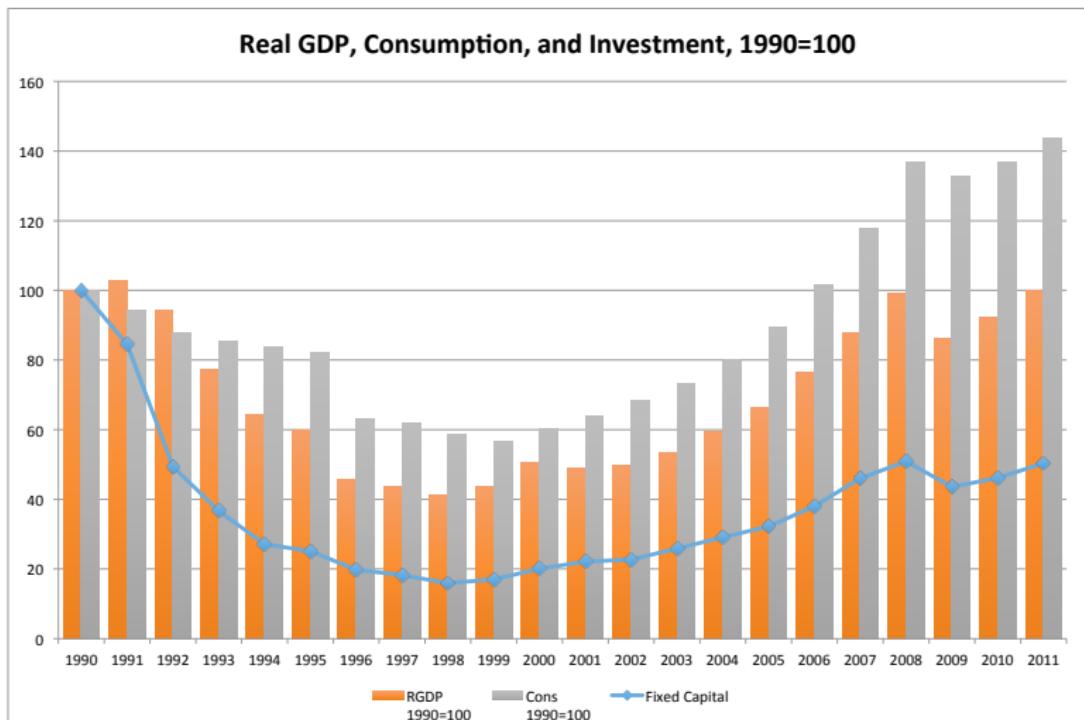
Russian Transition Inflation

Consumer Price Index: All Items for Russian Federation



Real GDP, Consumption, and Investment, 1990=100

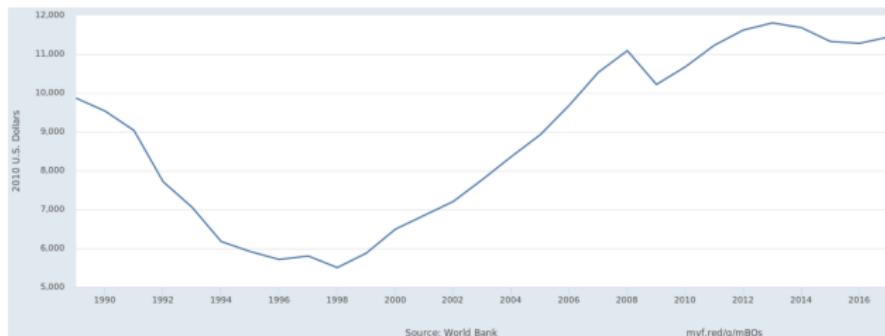
Output collapse



Output Fall

Per-Capita GDP

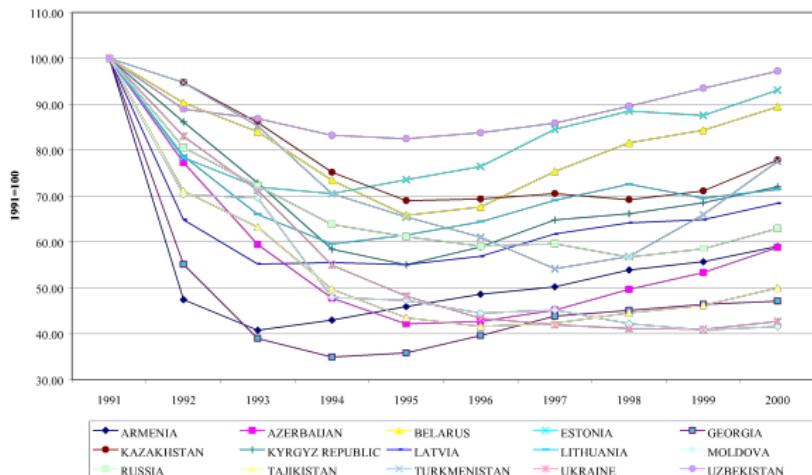
Constant GDP per capita for the Russian Federation



Output Fall

Output Fall in the FSU

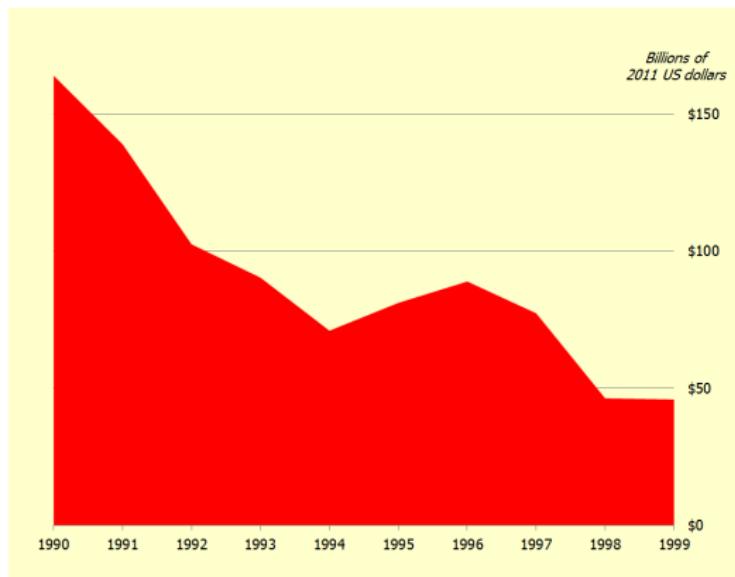
Figure 2: GDP in the Former Soviet Union, 1989-2000



Output Fall

Rents in the 1990's

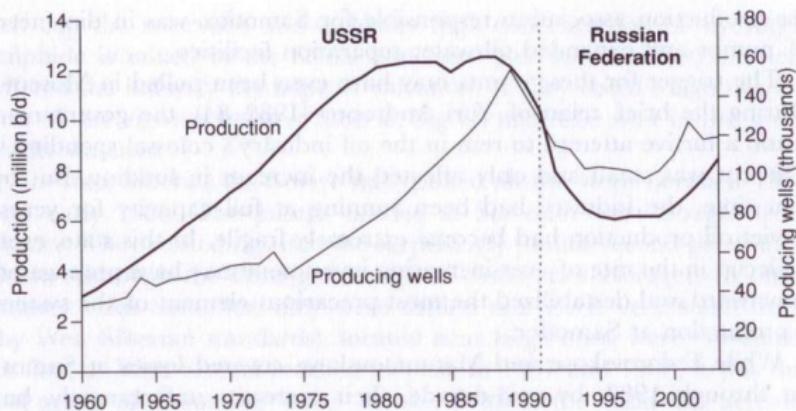
Resource Rents in the 1990's



Output Fall

Oil Production and the Number of Wells

Diminishing Returns: Production and the Number of Producing Wells



Real GDP and the Oil Price

Annual Oil Price and Real GDP at PPP

Russian Real GDP and the Price of Oil



Russian Transition

Privatization Architect

Anatoly Chubais



Russian Transition

Privatization Voucher

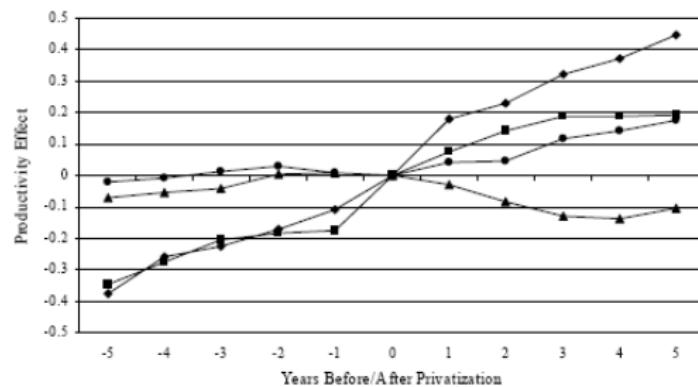
Privatization Voucher



Privatization

Productivity Effect: Selected Countries

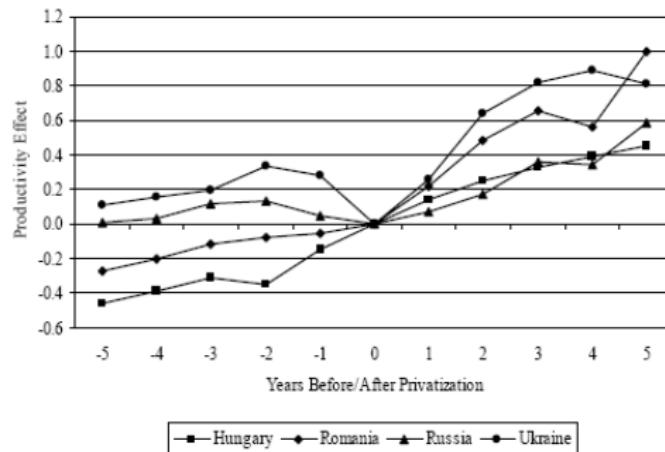
Productivity effects of Privatization



Privatization

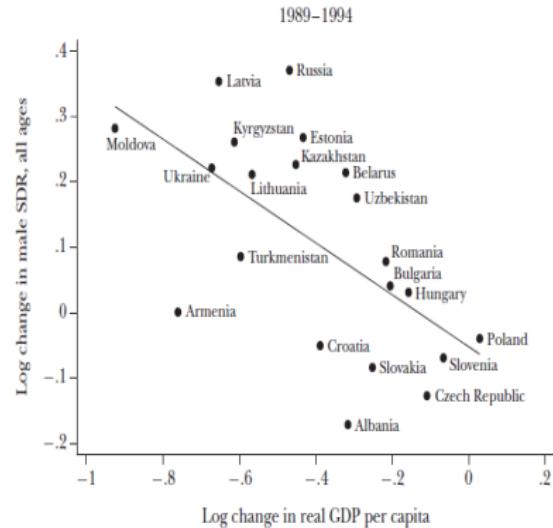
Foreign Productivity Effect: Selected Countries

Productivity effects of *Foreign* Privatization



Health Puzzle

Correlation Between Log Change in Male Standardized Death Rate and Log Change in Real GDP Per Capita, 1989 to 1994

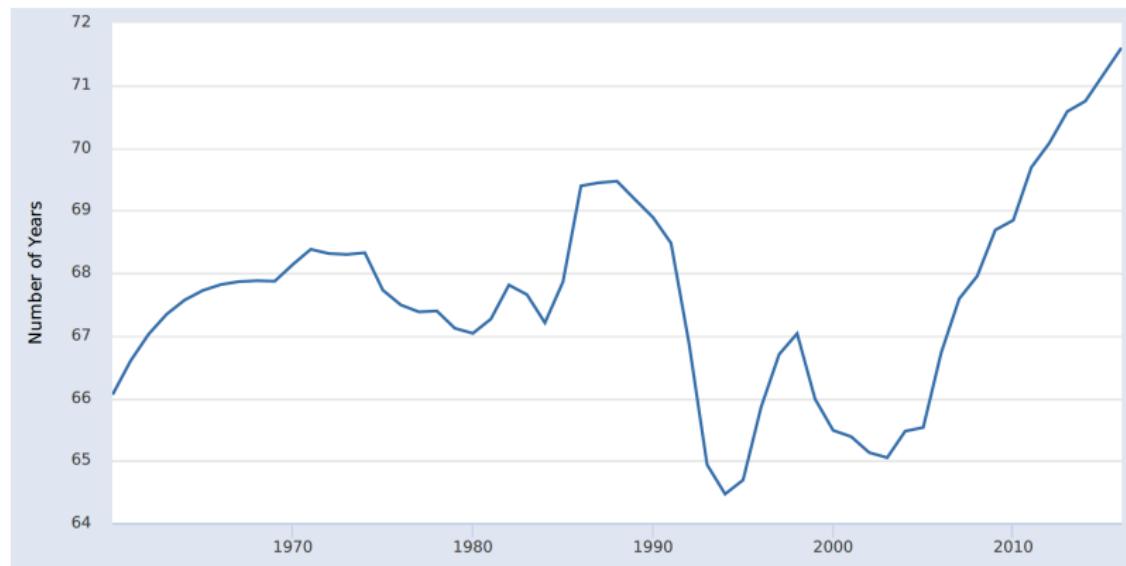


Notes: For several countries GDP data are missing for 1989, so Figure 2 uses 1990 data instead. Georgia, Bosnia-Herzegovina, FYR Macedonia and Serbia are omitted due to missing data.

Soviet Collapse

Life Expectancy

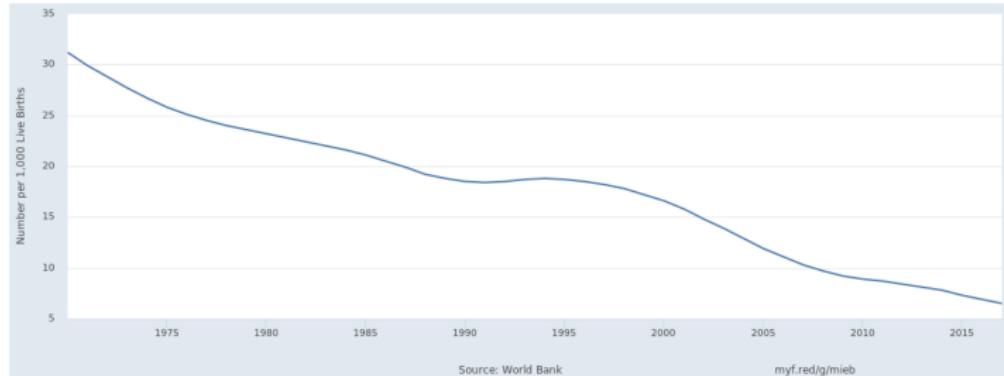
Life Expectancy at Birth, Total for the Russian Federation



Soviet Collapse

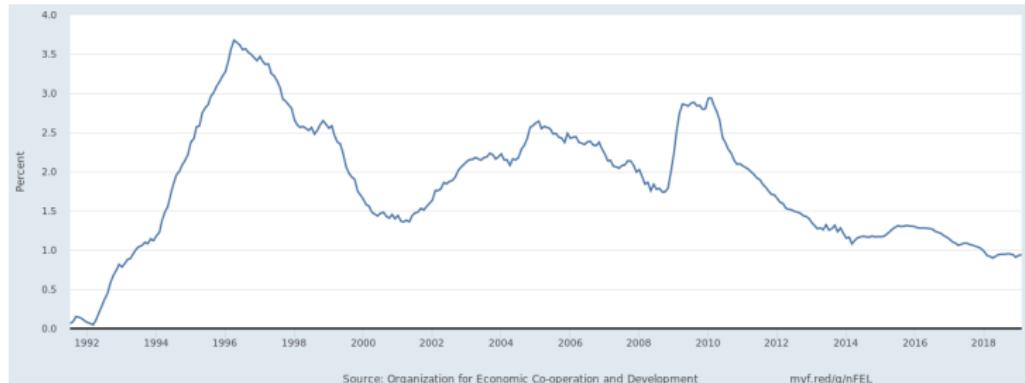
Infant Mortality

Infant Mortality Rate for the Russian Federation



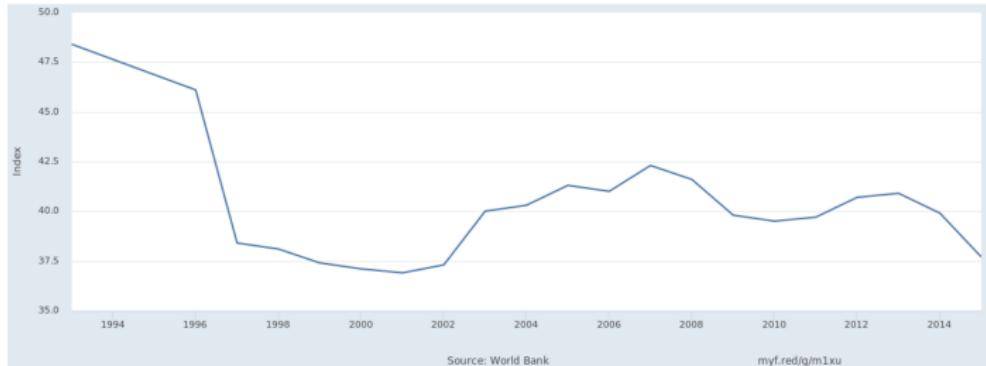
Russian Transition Unemployment

Registered Unemployment Rate for the Russian Federation



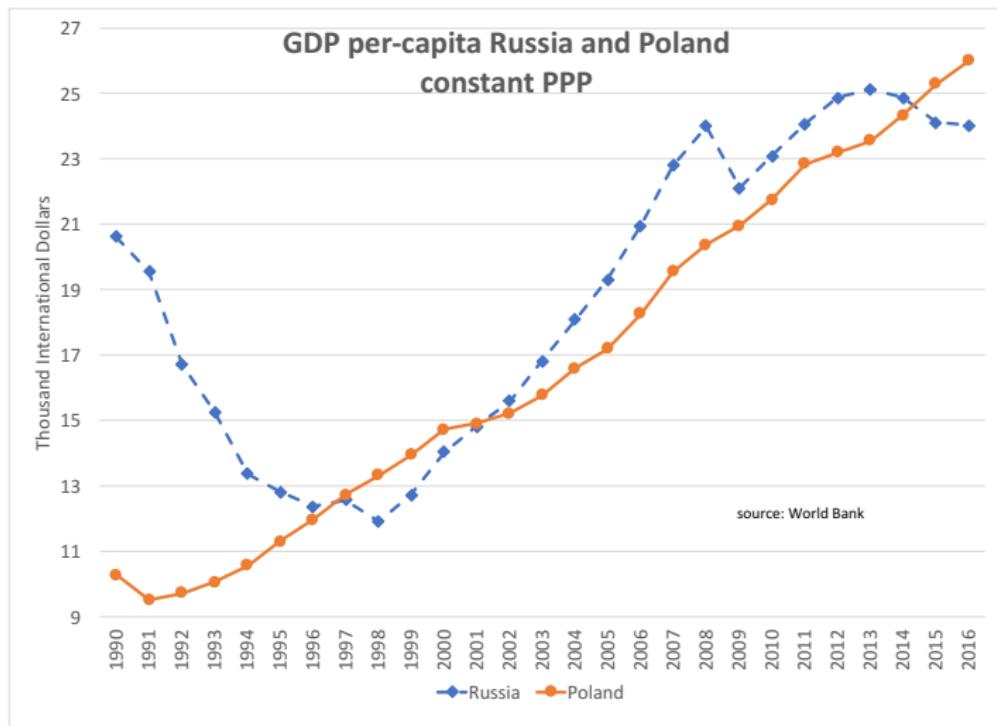
Russian Transition Inequality

GINI Index for the Russian Federation



Russia and Poland

GDP per-capita at PPP



Soviet and Russian Political Economy

Explained by Rents

Soviet and Russian Political Economy Explained

