

Decline of the USSR

Weaknesses of the Soviet Economy: Structural Weaknesses of the Command Economy

- The Soviet economy had worked relatively well when it consisted of a small number of very large industries, particularly coal, steel and electricity.
- The government could make decisions about these industries, which could then be implemented.
- However, as the Soviet economy grew and expanded by 1970s, the Soviet economy became overwhelmed by the increasing demands.
- The Soviet government struggled to cope with the many companies making different goods.
- It acted too slowly and made poor decisions.
- As a result, the USSR began to experience a steady, long-term decline in the rate of growth.
- For example, output growth for Soviet agriculture dropped from 4.8 per cent a year in the 1950 to 1.8 per cent in the 1970s.
- Similarly, by the late 1970s, industrial output had dropped from a double-digit percentage growth to a 3 to 4 per cent decline.
- The structural weakness of the command economy thus translated into the decline growth in the Soviet economy as the economy grew beyond the ability of the command economy system to efficiently

manage, leading to overall Soviet decline.

Weaknesses of the Soviet Economy: External Burdens on the Economy

- The Soviets engaged in numerous proxy wars that were substantial financial burdens.
- For example, they fought in the Afghan-Soviet War between 24 Dec 1979 - 15 Feb 1989. Soviet troops entered Afghanistan to maintain the power of the pro-Soviet government there, but they were tied down for the next 10 years by Afghan fighters known as the Mujahideen.
 - The Mujahideen saw themselves as fighting against the communist regime.
 - To make matters worse for the USSR, they knew the territory, had plenty of experience in guerilla warfare and were supplied with weapons and money by the United States and Saudi Arabia.
- Engagement in such proxy wars caused the USSR to invest far too much in its military power. The USSR never revealed figures, but it is estimated that 30 to 50 percent of Soviet resources went to the military.
- This was a massive financial burden for the Soviet economy and exacerbated the other sources of weaknesses, thus contributing to Soviet decline.

Weaknesses of the Soviet Economy: Poor Standard of Living

- Most of the Soviet people were keen to enjoy a higher standard of living.
- They knew that ordinary Americans had cars, telephones, televisions, washing machines and other devices.
- In the USSR, such items were rare and usually impossible to afford.
- This was because the command economy prioritized industry and military spending over consumer goods.
- Workers' wages were also not increasing. Many other non-communist countries, particularly in Western Europe, Japan and other parts of Asia had higher living standards than the USSR.
- This weakness of the Soviet economy fostered resentment against the command economy and the communist system which had imposed it.
- Resentment that led to growing opposition against the Soviet regime among the people and thus contributed towards its decline.

Weaknesses of the Soviet Economy: Disillusionment of the Workforce

- Many Soviet workers became disillusioned with the system, as there was much corruption.
- For example, in a speech by Soviet leader Khrushchev in 1962, he revealed that 56 rubles had been swindled from state enterprises, just in the cases prosecuted before the courts in the first half of that year.
- Wages were also tightly controlled. This meant limited incentives for many workers to work hard.
- They wanted improvements to their system. However, those who protested or complained risked being arrested by the secret police.
- As a result, resentment against the command economy and the

communist system which had imposed it grew. Resentment led to growing opposition against the Soviet regime among the people and thus contributed towards its decline.

Opposition to Communism in Eastern Europe

- The Soviet economy was closely tied to the economies of Eastern Europe through Comecon.
- Thus, as the USSR began to struggle, so did some of the communist regimes in Eastern Europe which were very dependent on Soviet support.
- This led to opposition to communism emerging in some of the Eastern European countries within the Soviet sphere of influence.
- For example, in 1956, widespread protests against the communist regime led to the formation of a new government in Hungary under nationalist Imre Nagy.
 - He announced that Hungary would withdraw from the Warsaw Pact and be a neutral, multi-party social democracy.
 - However, Soviet tanks and troops invaded Hungary, crushed the popular revolution and overthrew Nagy's government.
 - These events led Soviet leader Brezhnev to introduce a policy known as the **Brezhnev Doctrine**.
 - It stipulated that all Eastern countries would be one-party states, led by the Communist Party and that any attempt in these states to reverse communism would be seen as a threat to all communist states.
 - If such a threat emerged, then other communist states would intervene by sending in troops.
 - All communist states in Eastern Europe were expected to be

members of the Warsaw Pact.

- Though the movements against communist rule in Eastern Europe in the 1960s and 1970s were crushed, their significance was clear.
- The other communist governments in Eastern Europe depended on the USSR to prop them up.
- Keeping them in power thus became a burden in the Soviet Union that contributed to its decline.

Ageing Leadership

- Increasingly, the Politburo was made up of ageing politicians.
 - For example, by 1974, the average age of Politburo members was 65 - the mandatory retirement age in many occupations.
 - Furthermore, many of the Soviet leaders were unwell as evidenced by how when Brezhnev died in 1982, he was succeeded by Yuri Andropov, who would only live till early 1984.
 - This was made more apparent as the US leadership appeared to be relatively younger with each succession after Eisenhower's cabinet.
- The ageing Soviet leaders were ill-equipped to deal with the challenge of the ongoing economic stagnation and a rejuvenated US leadership, thus contributing to Soviet decline.