

STAGNATION PERIOD

review

- ▣ What do you remember about soviet union history in 1970es?
- ▣ Who was Brezhnev?

What is it?

- ▣ Stagnation
- ▣ A period of conserved economical and social life
- ▣ USSR in the world – Sino-Soviet split, Prague spring of 1968
- ▣ Growth of oil prices was steady throughout '70es

Developed socialism

- ▣ Disagreements inside communist camp led for USSR to choose a road to conserve current ideology
- ▣ No critics of current regime were allowed
- ▣ No developments inside country were taken
- ▣ USSR reached a goal of developing fully into Socialism

Compare and contrast

USSR

- ▣ Ideology
- ▣ _____
- ▣ Economical condition
- ▣ _____
- ▣ Social life
- ▣ _____

PRC

- ▣ Ideology
- ▣ _____
- ▣ Economical condition
- ▣ _____
- ▣ Social life
- ▣ _____

USSR economy in '70es

- ▣ MIR space station
- ▣ Baikal Amur Mainlane
- ▣ Moon rocket
- ▣ BURAN space -shuttle
- ▣ TU 144 supersonic jet
- ▣ Weak light industry
- ▣ Consumer deficit
- ▣ Agricultural decline

Whom economy serve

SIMPLE PEOPLE

Light industry

Consumer goods

Housing

COUNTRY'S IMAGE

Military production (better
subs, missiles, arms)

Oil (to sell abroad)

Help to other countries of
socialist block

WHILE 8TH AND 9TH 5-YEAR PLAN FOCUSED ON IMPROVING
EVERYDAY LIFE OF SIMPLE CITIZEN BY FOCUSING ON
GROUP II PRODUCTION, 10TH PLAN (1975-1980) CHANGED
DIRECTION TO SUPERIORITY OF HEAVY INDUSTRY AND OIL
AND GAS PRODUCTION

Black Market

- ▣ During 1970es wages and salaries were growing steadily
- ▣ This born a demand for consumer goods, one that was hard to solve only through official channels
- ▣ “Everything’s common – everything’s mine” in order to get what they want people started to sell the surplus of their enterprises unofficially
 - ▣ black market
- ▣ Simple citizens wanted to share luxury lifestyle they saw in rare western movies or during abroad trips to western bloc countries

Agriculture

- ▣ The bigger the better – Brezhnev continued Khrushchev's policy on enlargement of collective farms ▣ lack of involvement on average level
- ▣ Private plots (dachas) were increased to 1/2 hectare (6sotok)
- ▣ **HOWEVER** gross agriculture product grew by 21% in 1970es, USSR even imported cereals to other country like Argentina
- ▣ **YET** attempts to reform kolkhozes failed. Biggest problem – lack of small machinery for small farms, lack of good roads, inadequate

Social stagnation

- ▣ Despite economical stagnation standards of living improved throughout 1970es
- ▣ As there were no unemployment many unskilled workers were treated almost same way as brilliant one □ no benefit system
- ▣ Work-shy atmosphere
- ▣ The higher the rank the more perks you got
- ▣ Inability to gain fair promotion

Social life

- ▣ Domestic income grew 150% in 15year
- ▣ People were able to buy cars, dachas, fridges, washers etc
- ▣ Rapid growth of residential housing (1.6 bln m² for 15 years)

Country of developed socialism

Wealth of soviet family grew

Refrigerators - 32 % in the early 1970s - 86 % by late 1980s

Color TVs- 51 % in the early 1970s to 74 % in the 1980s

BUT

Poor health system

Uneven salary matrix (worker got more then servicemen or teachers)

Reasons for success

- ▣ Arab-Israeli conflicts caused a tremendous growth of oil prices (1973-1977) (below \$20 in 1971 to over \$100 in 1980)[2008 \$ rate]
- ▣ In 1974 oil prices grew 400% in 3 months

TNSTAAFL

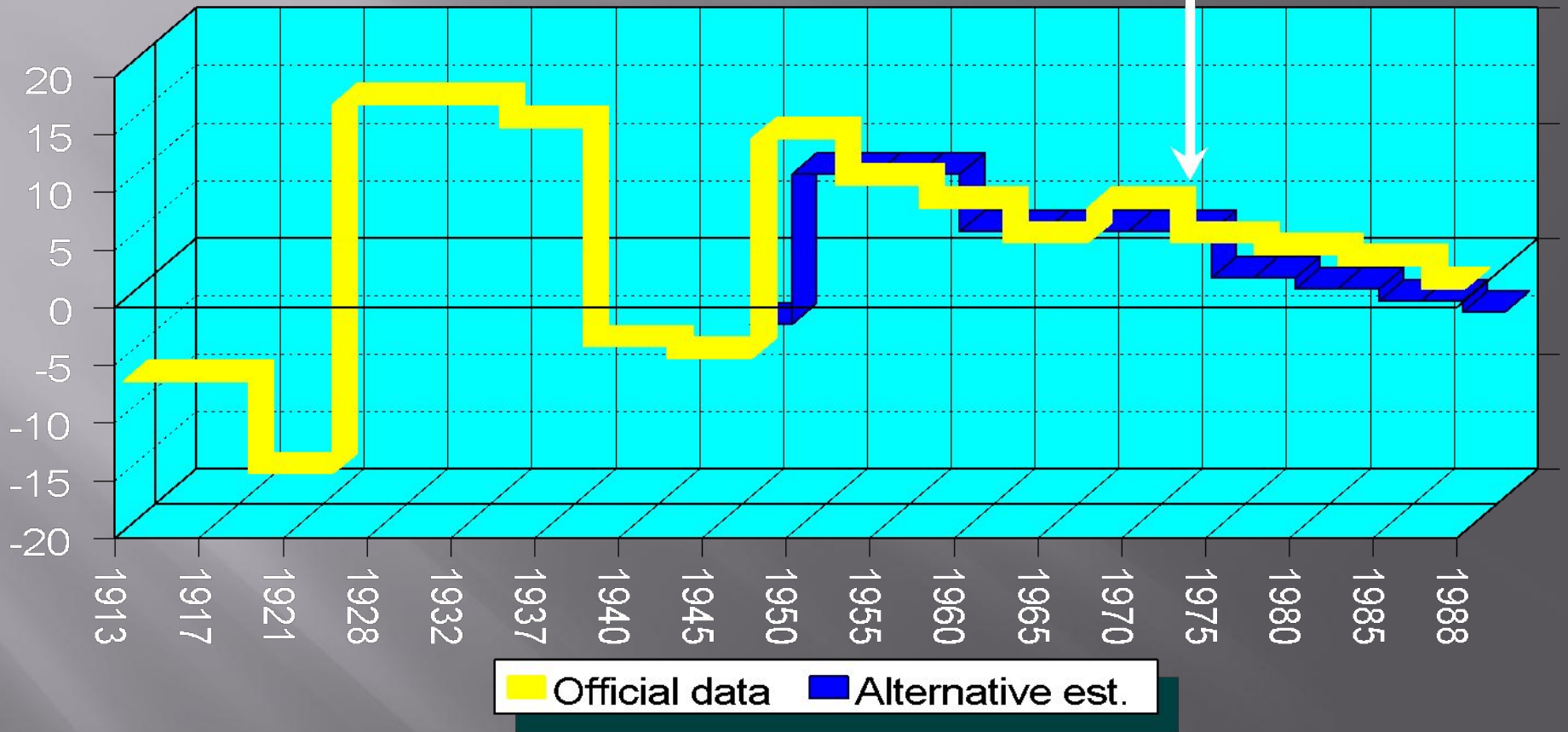
- ▣ Soviet economy jumped onto oil needle reluctantly
- ▣ Surplus was used to improve country image and to fasten arm race
- ▣ Agriculture was weak and USSR became big importer of grain

STOP RIGHT THERE!!!!

- ▣ Surplus money weren't used for economy recovery and growth, rather for keeping status quo
- ▣ No development in culture
- ▣ Different- thinking not allowed

GDP Growth of the USSR

Percent Growth



GDP Growth of the USSR Era of Stagnation

