



## Section 1. Economics

DOI:10.29013/EJHSS-24-5-3-14



### TO WHAT EXTENT DID THE PROSPEROUS ECONOMY IN THE EARLY BREZHNEV PERIOD TURN INTO A CATASTROPHE IN THE LAST YEARS OF GORBACHEV'S RULING?

*Artem Reyson*<sup>1</sup>

<sup>1</sup> Clifton College

---

**Cite:** Reyson A. (2024). *To What Extent Did the Prosperous Economy in the Early Brezhnev Period Turn Into a Catastrophe in the Last Years of Gorbachev's Ruling ?*. *European Journal of Humanities and Social Sciences* 2024, No 5. <https://doi.org/10.29013/EJHSS-24-5-3-14>

---

#### Abstract

In this project I will analyse the factors which determined the extent the Soviet economy was in by the end of the Gorbachev era and the collapse of the Soviet Union in 1991. Many people in former USSR states, have blamed Gorbachev for the break of the Soviet Union and for the sharp economic downturn. To assess exactly how true this statement is, it is important to look at the state of the economy during his time, as well as looking at the USSR at the time of its best, which was the prosperous period of the late 60s and the early 70s. To do this effectively, I will look at, and analyse different areas of the economy such as agriculture, military and the social sector in the different periods of time, which will be the yearly Brezhnev period, the stagnation period and the Gorbachev era. I will also evaluate whether it was purely economic decisions which affected the state of the economy or whether some other things such as the characters of the leaders or political policies also had an effect on the economy. In comparing the difference between the successful economic growth of the early Brezhnev period of 1964–1973 and the decline of the Soviet economy in the late 1980s, as well as looking what has happened to the economy along the way and what contributed to its eventual decline, I can assess exactly how bad the economy was doing in the last years of the USSR and conclude whether, and if it did, then to what extent, the economy turn into a catastrophe.

**Keywords:** *policy, economy, Soviet Union, Gorbachev, Brezhnev, reforms*

#### Introduction

The question poses some challenges as the words 'prosperous' and 'catastrophe' are very different and can almost be counted as antonyms. The word 'prosperous' can be defined as "having continuous success or good

fortune" or "flourishing financially" (Oxford English Dictionary, "prosperous"), while the word catastrophe can be defined as "an event causing great and usually sudden damage or suffering" or a "disaster" (Oxford English Dictionary, "catastrophe"). Assessing these

can be incredibly difficult as there are many factors contributing to both prosperity and catastrophe and there is no scale to determine to what extent something was prosperous or catastrophic. To determine whether the late 1980s crisis was a sudden damage as defined by the Oxford Dictionary or if it was a decline that started much earlier, one can fairly successfully estimate the extent of the economic disaster by examining how much the economy has changed and how quickly the change has happened.

I chose this title because I found this question challenging on one side, but at the same time very interesting and engaging on the other, where there are a lot of different views on the topic, but there isn't a certain answer. In analysing this question I hope to provide more answers to this complex debate, which is still very relevant to the modern world today, especially to the people living in Eastern Europe and have to deal with the consequences of the 1990s economic downside even today. I also chose this question due to my interest in economics, but more specifically the economics of the USSR, which is very different from the current modern economies in most of the countries. Most of the countries nowadays, including Russia and its former satellite states, have a mixed economy which can be described as "a market system of resource allocation, commerce and trade in which free market coexist with government intervention" (Britannica Money, 2024. "Mixed Economy"). In other words, supply and demand act as signals to the producers which would adjust things such as production and investment to them, until the equilibrium between supply and demand occurs and allocative efficiency is reached, while the government either minimally regulates the economy in the economies which are free-market economies, or plays a role of a corrector of market failures, when the market struggles and promotes social welfare to have a wealthy society. The economy of the USSR was cordially different from the above, as it was a planned economy. This economy involves a government making key decisions on the production and distribution of goods rather than letting market forces along with consumers and producers regulate the economy. This is primarily done to control soci-

ety's resources for a certain goal that might not be achieved by market forces alone (Investopedia, "Centrally Planned Economy" 2020). In case of Soviet Union, the goal was to move towards communism and the centrally planned economy was helping to regulate the movement towards it.

## **1. Success of the early Brezhnev period**

### ***Brezhnev Personality:***

To better understand why the economy was doing good throughout the 1960 and into the early 1970s, Brezhnev's character is something to look at, as it directly relates to the state of the economy during those times. Unlike Khrushchev, who was often impulsive, reckless and was primarily a man of action rather than a man of thought (CIA.gov, "Khrushchev- A personality sketch", p. 7), Brezhnev was much more conservative and preferred a much more cautious approach to governing. "To his Soviet audience, he personified the Soviet bureaucracy itself: serious minded, conservative and impersonal, rather than outspoken, bragging or coarse" (Bircher, R., 2015, p. 37). Brezhnev's preference for stability over radical reforms created an environment in which economic planners could cooperate with greater confidence. The reluctance to engage in any kind of radical reforms meant that more effective long term planning and resource allocation was now a possibility, which, however, didn't come without the bureaucracy which increasingly slowed the process down over the years eventually leading to stagnation.

To analyse exactly how bad the economy was doing in the last years of the USSR, it is important to understand how different sectors of the economy were doing at the time of prosperity in the USSR under Brezhnev, and to understand why it was a prosperous time.

### ***Agriculture:***

Soviet agriculture under Brezhnev is a debateful area of the economy as in the first few years it saw a big improvement, while in the later years of Brezhnev, it took a big hit of stagnating economy and became a burden to the economy and the Soviet life. According to Diamond Douglas and Lee Davis the agricultural output between 1953 and 1973

showed a constant growth in the output, accompanied by a constant growth of inputs

(Diamond Douglas B. and W. Lee Davis (1979), p. 19–55).

**Table 1.**

<b>Soviet agricultural output, inputs and factor productivity (1950 = 100)</b>			
<b>Output</b>	<b>Inputs</b>	<b>TFP</b>	<b>Memorandum item: US farm TFP</b>
106.8	105.7	101.0	105.3
159.2	130.0	122.5	121.3
164.7	141.9	116.6	127.9
230.5	169.6	135.9	143.3

This is true, as Brezhnev’s leadership spent much more on the farm sector than his predecessor Khrushchev. While it can be said that the farm sector rose at the expense of the other sectors of the economy which also required funding, from Diamond and Davis’s table it can be seen that if the year 1950 was taken as a base rate of 100, then by 1973 the agricultural output rose put to 230.5, which is more than by 100%, while inputs rose to 169.6 in those years, which is less than 70%. Therefore it can be said that there was a positive return on the investment made by the Soviet government. This suggests that the great priority was given to the agriculture sector, as it was one of the biggest industries in the Soviet Union and Brezhnev was keen to expand it, which was even successful in the first years of Brezhnev’s leadership.

Furthermore, according to the professor of the Political Economy of Russia and Eastern Europe Philip Hanson, the shift in the investment priorities under Brezhnev was striking, as Brezhnev aimed to significantly improve the agricultural sector by raising the investment in agriculture by 62% between 1961–1965 and the Eighth Five Year Plan of 1966–1970, compared to the total investment in the whole economy which only rose by 43% (Philip Hanson. “The rise and fall of the Soviet economy”. p. 113). This again, signifies the importance Brezhnev gave to the agricultural sector. Although, now has started to fail him in the second half of his leadership, as the output has started to decline before the input meaning that the Soviet investment in agriculture stopped paying off after the early 1970s. Despite Brezhnev’s struggles to give massive amounts of invest-

ment into the agriculture, as the XXVI Party Congress in February 1981, Brezhnev once more talked about the importance of agriculture (Pravda, 24 February 1981, p. 6), there was a clear sign that the increasing investments into agriculture were having less effect as the production stalled or even worse, has dropped. This can be seen Hanson’s table of Soviet output on selected farm products from 1977 to 1982, where every single product except sugar beet and eggs fell in output according to the official sources. The decline could have happened due to many reasons such as often occurring misallocation of resources due to corruption, technological deficits and too old machinery or due to labour issues. The visible decline of the agriculture sector started a long time before the economy completely broke down in the late 1980s, which means that there was no catastrophe in the agricultural sector of the economy, but rather a slow decline.

**Infrastructure:**

In the years of prosperity under Brezhnev, the Soviet lifestyle was where the real prosperity seemed to be, as a lot of Soviet people started to enjoy things never previously seen or could enjoy before. This was due to Brezhnev promoting his goal of stable society under which he expanded social security systems and maintained full employment, therefore making the majority of the population have job security and stable income, consequently resulting in higher social prosperity levels.

First of all, Soviet people could enjoy significantly higher wages. The main cause of this was Brezhnev’s focus on living standards as he expanded social welfare pro-

grams and maintained the full employment policy, therefore providing job security and stable income for the majority of the population. During the two five year plans in the seventies the average wage of the Soviet person rose from 97 rubles per month to 177 rubles per month (History Lab “By the footsteps of the Soviet Atlantis”. Lecture 22). This was more than 1.5 times of an increase, which was a significant factor of economic growth on its own, but what really highlighted this achievement is the fact that the prices did not rise over this period of time (History Lab “By the footsteps of the Soviet Atlantis”. Lecture 22). Due to this, the purchasing power of a Soviet citizen rose, which contributed to the overall spending into the economy.

This went along well with the Kosygin reforms which allowed firms to decide how much to produce and how to sell it (History Lab “Leaders of Nations, Leonid Brezhnev”), which increased the production of goods by 1.5 times in the next 5 years. This was due to the firms shifting from trying to meet the target output set by the government to profit maximising, which meant more efficiency and incentive to work as firms now had some personal interest involved. The result of the reform was positive. For example, every year 1000000 cars were produced, which meant that the Soviet people could buy a car, without any shortage problems, and the constant rise in wages meant that the people were able to afford those cars without much of a financial struggle. This acts as a signifi-

cant factor when assessing the prosperity of the first 10 years of Brezhnev’s leadership, as production and spending rose, without any significant inflation, which suggested economic growth.

Additionally, the housing construction also saw a big increase (History lab “By the footsteps of the Soviet Atlantis”. Lecture 22). Throughout the seventies, the same amount of housing was built, as there already was by the end of the sixties, and again, due to the strong financial situation, the Soviet citizens, didn’t have much struggle in paying utility costs and rent as on average it only accounted for 2.6% of the family budget (History Lab “By the footsteps of the Soviet Atlantis”. Lecture 22). Furthermore, the amount of new technology in those households rose, as well. When compared to the late sixties, by 1982, the amount of TV’s, fridges and washing machines rose by 1038% 2125% 1650% respectively. This had big consequences. As people’s living standards started to get better and confidence rose, people started to live higher quality lives which was reflected in the average life expectancy.

Higher wages, along with increased production and technological progress marked the prosperity of the late 60s and the early 70s, as people’s lives started to become better. The extensive production and construction wasn’t the only marker of prosperity during those times. One of the biggest factors of economic growth is the life expectancy going up, as it is an indicator of health standards in the country increasing.

**Table 2.** *Average Life Expectancy at Birth in the Soviet Union (in years)*

Year	Total Population	Men	Women
1938–39	46.9	44.0	49.7
1955–56	67	63	69
1958–59	68.9	64.4	71.7
1971–72	69.5	64.5	73.6
1978–79	67.9	62.5	72.6
1983–84	67.9	62.6	72.8
1984	67.7	62.4	72.6
1985	68.4	63.3	72.9
1986	69.6	65.0	73.6

*Source: Ryan, 1513*

As Ryan suggests, the life expectancy in the Soviet Union rose from 46.9 years in 1938–1939 to 69.5 years at the peak of Soviet prosperity in 1971–72 (Ryan 1513).

Much of this was due to the Soviet people getting more opportunity for rest, with the number of health resorts increasing significantly from around 3000 in the seventies to 13.5 thousand by 1980 (History Lab “By the footsteps of the Soviet Atlantis”. Lecture 22). Around 59 million people enjoyed the services of these health resorts. Well rested and healthier workers, were able to come back to their workspaces in a better mood with higher efficiency and contribute better to the main goal of increasing the output.

Finally, education became an important factor in the Soviet lifestyle, as the number of schools and nurseries actively grew. USSR was considered the most reading country in the world, as on average, a Soviet person was reading 56 minutes per day, which when compared to 10 minutes of reading in the USA looked significantly more (History Lab “By the footsteps of the Soviet Atlantis”. Lecture 22). An increasingly stronger education system allowed more and more people to gain access to higher education, meaning more skilled workers in the long run.

So, the prosperity was seen in many sectors of Soviet lifestyle, as almost every social factor was growing in those years. However, it is important to understand that the prosperity didn't get replaced with a catastrophic state straight away, but rather the economy soon entered a period of long decline, known as stagnation, which the USSR has never recovered from. It is important to understand this period of “stagnation” as it helps to understand exactly in what state Gorbachev has inherited the economy, and compare the difference between the stagnating economy of the early 1980 to the economy of the last years of the USSR to determine to what extent the prosperity turn into a catastrophe.

## 2. Stagnation Period

The term “stagnation” was first used by Michael Gorbachev, as he defined it as an economic slowdown with few new policies and a lack of development (Study.com, “Era of Stagnation in the Soviet Union | Reasons, History & Impact”). This is important

to note, as this term was not widely used in the Brezhnev years, with the government referring to it as “period of developed socialism”, which according to Rumyantsev was a period of “advanced, dynamic maturity of socialism as an integral social system, the complete realisation of its objective laws and advantages, and its progress towards the higher phase of communism”. As a deputy of the supreme Soviet of the Soviet Union, it was in Rumyantsev's interest to promote this kind of definition, rather than referring to this period in the terms such as Gorbachev used, and therefore might be considered unreliable. However, it does hint that the stagnation period might not have been as bad as Gorbachev was trying to portray, and in fact the real Soviet decline only happened under Gorbachev. To come up with a conclusion, several sectors during the era of stagnation have to be looked at and compared to those in the last years of Gorbachev ruling later on in the essay.

### **Reasons for stagnation:**

One of the primary reasons for the start of stagnation was Brezhnev's deteriorating health in the second half of the 70s. In the late 1970, Brezhnev suffered a series of strokes, which led him to be increasingly weak every following year as he became more and more dependent on sedatives and sleeping pills (The Washington Post, Perspective by John Neumeyer, “The political history of concealing illness, from Brezhnev to Trump”). After suffering a stroke in 1975, Brezhnev's ability to lead the country became much worse as he acquired stumbled speech and confusion, which only worsened as years passed by. As his mind started to fail him, so did the economy. This was because with Brezhnev's ill health everything slowed down as many decisions took a long time to be made as nearly everything had to come through Brezhnev, who was unable to think quickly anymore.

Brezhnev was appointed as a general secretary, primarily to produce stability in the economy, which he could provide in good health and clear mind, however as he became increasingly ill and slow in his decision making as all his time and effort went to simply looking good in front of a camera the economy started to slow down. Secondly,

many other Politburo members also became increasingly old. The gerontocracy of Politburo, which in other words means that the country is led by a group of elderly people, was one of the primary reasons for the economic decline and was often associated with stagnation, as the elder government was far away from knowing how to run a modern economy, being too conservative with their outdated policies which resulted in economic mismanagement, and therefore stagnation.

When Politburo was first created, none of the members were above 40 years of age, except Lenin, who was 47, however by 1974 the average age of Politburo members reached 65 years old (Soviet Studies, "A note on the ageing of Politburo"). This negative trend can explain the reason for the economic slowdown, as most of the leading positions were just simply too old to implement new policies as they feared for their positions they have been in for so long.

### ***Analysis of Alex Kosygin speech on the 1976 Party Congress:***

Despite the stagnating economy, on March 3, 1976 the 25 Congress of the Communist Party resolved to approve the Guidelines for the Development of the National Economy of the USSR for 1976–1980 (Documents and Resolutions of the XXV<sup>th</sup> Congress of the CPSU, Moscow 1976, p. 172). The principal objective of the guideline was "the consistent application of the Communist Party's line of raising the standard of living of the people both materially and culturally through a dynamic and well balanced development of social production and its increased efficiency, faster scientific and technological progress, higher labour productivity and better quality of work throughout the national economy" (Documents and Resolutions of the XXV<sup>th</sup> Congress of the CPSU, Moscow 1976, p. 180). This was the opposite of stagnation, and in fact was meant to build on the success of the 9th five year plan. While, it may have been propaganda and acted as a cover up for some of the economic problems which were already happening by 1976, as nobody in the Congress liked to mention the problems, the data below would suggest that from 1964 to 1982, the economic growth was big, and noticeable in the daily lives of the Soviet people.

A Russian historian Yuri Yemelianov suggests that throughout the 70s there was an active development of the northern and eastern regions of the country, as oil production in Siberia increased by 10 times, gas production increased by 15 times, along with chemical and electricity production which both increased by two times (History lab "By the footsteps of the Soviet Atlantis", Lecture 220. Along with that, many new hydroelectric power stations were built such as Ust Ilimsk, Sayano-Shushenskaya, Nizhnekamsk, Dniester and several more. All of these are a sign that despite the wide belief that economic growth was slowing down from the 60s, new infrastructure was being developed and the country's output was growing, suggesting economic growth, so much so, that by 1982, the Soviet Union accounted for 1/5 of the world's total industrial output. Furthermore, in those 9 years the USSR managed to become the top producer and extractor of oil, coal, steel, diesel locomotives, electric locomotives, combine harvesters, tractors, wood and mineral fertilisers per capita (History lab "By the footsteps of the Soviet Atlantis". Lecture 22). The oil production, can be used as a good example to illustrate the condition of the economy as the USSR was a closed economy, it had to rely on its own production of oil, which was one of the biggest areas in the economy, if the oil production rose, it meant that the economy was doing good as the oil production provided many jobs, and the oil itself was cheap, which meant more Soviet citizens could afford buying it. Some of the oil could also be exported to satellite states and some other friend countries, which raised additional revenue for the government increasing its budget. Despite not meeting several of their overly five year targets by the late 1970s the USSR reached its peak in oil extraction coming in at around 225 million tons ("The formation and evolution of the Soviet Union's oil and gas Dependence", Sergei Ermolaev). This shows that the economy wasn't all black or white and while some of the areas might have been stagnating, the others were on the rise, bringing massive revenues to the government, suggesting that what could be seen stagnant on the surface, actually was quite progressive and developing meaning that the stagnation period wasn't just a constant decline in all sectors of the economy. So despite some negative effects of economic

stagnation this era is still considered one of the most prosperous in Soviet history, with standards of living getting improved and enhanced social services such as healthcare and education, meaning that there was no visible decline during this period. This in turn means that Gorbachev has inherited a reasonably well working economy, not without any flaws, however with many key industries working well and an idea in people's mind which everyone has worked for, meaning that the country was not at a point of no return, and could be recovered with the right set of policies.

### 3. Gorbachev era

#### ***Gorbachev's policies:***

After looking at the periods of prosperity and stagnation, it is now time to look at the final period of Gorbachev's ruling and the state of the economy under him, to come to a conclusion of how sharp the decline has been and whether or not the economical crisis has been that big.

To start off with, it is key to note, as it was discussed before, that the economy has already been in decline for several years before Gorbachev came to power. Many people in the USSR had to admit that although the Brezhnev years were prosperous, the economy has been in decline which is important to note while assessing the economy under Gorbachev. Many people who liked Brezhnev as a leader started to say "Now that Brezhnev has died, it is time for a change" (History lab "Leaders of Nations, Leonid Brezhnev"). Despite that, the changes which came, never became successful and eventually resulted in the fall of the USSR.

Much of Gorbachev's leadership was driven by his character. Michael Gorbachev was known to have big ambitions and was seen as a breath of fresh air in the Soviet system. However, more importantly, he was different from any other leader before him in the way that he portrayed himself to the people. As a historian, Yuri Emelianov, suggests, Gorbachev spoke to the people about the day to day problems in an informal way, and was open to them, in a way no other leader was before. This was then portrayed in his "glasnost" politics, which meant openness or full transparency in every aspect of Soviet life (Britannica, 2024). Gorbachev's open charac-

ter contradicted the economical system of the USSR in every possible way, as Gorbachev's reforms were on the opposite ideological side of the planned and command economy of the USSR, where everything was strict. Altering the system carried a risk of a potential breakdown of the whole economy, which has eventually happened, as Gorbachev's attempt to introduce a market economy and restructure the economy failed for various reasons.

The most notable policy which Gorbachev has used was "perestroika", which meant restructuring and was aimed to address the stagnation which has become a burden for the Soviet people by that stage. This was because the military spendings and constant development of new nuclear warheads took all the needed capital away from other industries meaning that they became stagnant, not being able to produce any more output, not increasing the GDP, while still requiring maintenance, eventually becoming burden. Although on paper the idea of perestroika worked well, as introducing changes to the economy which were supposed to bring the Soviet Union out of the stagnation period, in reality perestroika was the opposite, where change meant lost control, which lead to chaos in the economy as the economy was not ready for them. In Philip Hanson's book "The Rise and Fall of Soviet Economy", he refers to perestroika as "Catastroika" in one of his chapters, hinting that it was a catastrophe. As a professor, Philip Hanson has deep knowledge and understanding of how the politics and the economy worked at that time, and therefore his views can be valuable in assessing perestroika. If Philip refers to it as a catastrophe, there must be some evident reasons for that, and here are some of them.

One of the most evident examples of perestroika not working was the alcohol campaign which Gorbachev tried to implement, as part of his new thinking and restructuring campaign. On May 16 1985, the Presidium of the Supreme Soviet of the USSR issued a decree which was aimed to fight alcoholism and drunkenness. Sales of alcohol were strictly restricted from 14:00 to 19:00, and alcoholism at work was strictly prohibited (History lab "By the footsteps of the Soviet Atlantis". Lecture 26). From the first sight, it might appear that this policy would bring more efficiency

into the economy as people, would take less days off work, and would perform better with a sharper mind, which would increase the quality of the labour force accounting for economic growth. However, in reality, the effect of this was so small, that it did not affect the economic performance at all, as people were simply not motivated to work harder, and the amounts of alcohol consumed, did not affect their overall performance, and even if it did, this was not a sufficient amount to affect the trend rate of growth. Moreover, the popularity of this campaign was debateful. While some people liked it, many people found it irritating, which raised some questions in the public about the government's actions. This shows that the alcohol campaign was a failure, which was one of the early examples that Gorbachev's view of rebooting the economy was not working.

Along the history of the USSR, people have worked for the idea of building communism and put their trust in the government, which was key for economic expansion. As can be seen from the example of the alcohol campaign, people started to trust less in their government, which started to bring economic problems as the mechanism which was built on these people began to crumble.

Another big implementation of perestroika into the Soviet economy was the introduction of cooperatives, which were privately owned businesses. The Law of Cooperatives was issued on May 26 1988, and allowed freedom for the privately owned enterprises to be self-funded, managed and profit-ordinated (Seventeen moments in Soviet History "Cooperatives"). Again, this policy looked great on paper, and to a certain degree, it even worked as these firms were aiming to maximise their profits, and therefore they were much more efficient than those of the state. However, the cooperatives went against the Soviet way of managing the economy, which meant that the two sectors were restricting each other's growth. For example, due to the nature of the economy where most of the firms were state owned, it was very difficult for the newly emerging private sector firms to obtain needed things, such as licences and permits, which slowed down their work and made them less efficient. Additionally, as the extract by Lewis Siegelbaum suggests (Seventeen moments in Soviet History "Cooperatives"), many of the

cooperatives were charged higher taxes and had to borrow at higher interest rates, due to the government trying to take as much advantage from them as possible. This significantly increased the cost of productions, which were in turn passed onto the consumers in the form of higher prices. Due to the economy of the Soviet Union becoming increasingly weaker, most of the people were unable to buy the goods at these high prices. This made the cooperatives only popular in bigger cities, where the wages were generally higher. Due to this, it could be said that the effects of the elements of the market economy were very concentrated around certain areas, and although the country became mostly urban under Brezhnev, around  $\frac{1}{3}$  of the people have still lived in rural areas, where the cooperatives couldn't be profitable. Therefore, the cooperatives, which symbolised the coming of the market economy, only had a limited, and very debateful effect on the whole economy, as it signalled the fact that the market economy wasn't working the way it should, while at the same time the structural economy which kept the Soviet Union going started to break up, due to the increased freedom of the firms, which were now less dependent on the government for uphold and were more profit driven.

Another big shake up to the system came from Gorbachev's vision on how things should be run. Gorbachev naturally liked people with good rhetoric skills, due to having good rhetoric skills himself, and therefore Gorbachev introduced an election based system where leaders of the enterprises were elected. Due to this, many skilled workers who have been in a certain industry for a long time and have been very experienced, which raised their efficiency and therefore output, have been replaced with workers who were less skilled, but had good rhetoric skills (History lab "By the footsteps of the Soviet Atlantis". Lecture 27). This started to take effect as the output in various industries began to fall. For example, industrial growth slowed significantly in the late 1980s, with the growth rate dropping from around 3% in the early 1980s to less than 1% by the late 1980s ("The Soviet Economy: Towards the Year 2000". Abram Bergson). The fact that Gorbachev was willing to sacrifice skilful workers with years of experience in order to promote good rhetoric skills meant that



Gorbachev wanted a system where his policies of glasnost and perestroika would be above everything else – even the industrial output which other leaders cared so much about.

To put all Gorbachev’s leadership together, the policies that Gorbachev tried to implement didn’t work, and by the last few years of the Soviet Union, Gorbachev’s policies led to a position of zugzwang, which in chess means that every next move you do will make your position worse. Likewise, Gorbachev tried to implement a market based economy into the USSR, which didn’t do well in the severely structural economy where everything relied on a chain of command, where the government told the firm what to do, and the leaders of these enterprises would then carefully control what had to be done. When the it was clear that the market economy didn’t solve the stagnation problems, but rather caused, bigger way more uncontrollable ones, it was already too late to return to the structural economy, as the government lost all of its power by that stage, and the policies making in the last few years of the Soviet Union, became chaotic, with multiple new policies conflicting with already existing ones, and on the local government level, various rules were formed which got in the way of market economy (The Rise and Fall of Soviet Economy, Philip Hanson).

In total, the economy was breaking down. Inflation, which was always controlled in the Soviet Union, and Brezhnev managed to maintain inflation close to 0%, due to the nature of the economy where prices were dictated by the government and were strictly

controlled, was now on the steep rise, as the republics started to break away from the central government and implement their own fiscal policies and market economy letting many firms dictate their own price leading, agricultural and industrial output was on the decrease, food rationing became a common thing, wages became low and the jobs themselves were hard to find, the policies of perestroika and glasnost, which was the word for openness in the USSR, failed to work, and finally, unstable political leadership worsened it all off as everyone in the government was worried for themselves, and no longer cared about saving the economy.

### Conclusion

In conclusion, after looking at the years of Brezhnev ruling and then looking at Gorbachev’s years, it can be seen that the Brezhnev years were by many standards a golden timer for the economy and many Soviet citizens as they have found themselves living much better quality lives. When these years were later on compared to the ones of Gorbachev, by looking at the difference, it could be concluded that the economy turned into a disaster with the Soviet system breaking down and no other proper system coming in place leading to many people suffering. To answer the question of to what extent the situation was a catastrophe, it can be concluded that it was almost a total disaster. With the USSR not surviving the shocks and falling apart it can be further concluded that there was a total catastrophe on the economical, political and social level.

### Source Evaluation

I picked my sources on the bases of how useful they would be for me, but also how reliable and how well they correspond with my question:

Source	Evaluation
Oxford English Dictionary	OED is widely regarded as one of the most authoritative sources on the English Language, as it is completed by a team of expert lexicographers and is continuously updated making it highly reliable and up to date source.
Britannica	Britannica is a highly trusted website which hosts many qualified experts in their respective skills to write posts about various subject matters, making it highly reliable.

Source	Evaluation
Britannica money	Britannica money is a highly trusted website which covers a wide range of financial topics, which ensures its expertise in the economics field and constantly undergoes rigorous editorial process. Additionally, the article I have used was written by an “Associate Professor of Strategy and Ethics Management” in North Carolina State University and has made several contribution to Britannica making him highly trustable.
Investopedia	While Investopedia is a commercial website which generates revenue through affiliate marketing which may sometimes lead to focus on content that drives traffic, the website is still highly trustable among many professionals and students as it provides clear up to date and verified information. Additionally, the article I have used was reviewed by an active investor and technical analyst with 20+ years of experience and the article was fact checked by an editor whose speciality is financial planning, making the article highly creditable.
CIA	The source I have used from the CIA website has been confidential until it was approved for release in 2006, making the source seem highly trustable as it may have been used by the government to make important decisions on certain matters. Furthermore, the CIA World Factbook is widely used by academics and government officials proving its credibility.
Oxford AQA History	AQA history textbooks are considered very reliable secondary sources of information as they are used to teach students and are fact checked and approved by the AQA specialists who are considered to be professionals in their subject, making the source highly reliable.
Phillip Hanson	Phillip Hanson is Emeritus Professor of the Political Economy of Russia and Eastern Europe at The University of Birmingham, which makes him a professional and therefore credible. His experience and views were useful for me when I was completing my project.
History Lab	History lab is an education based history channel which hosts many professionals in their field, especially many well known and respected historians. The historian who lectures the videos, is a publisher of more than 500 publications about Soviet Union’s politics and the economy. Although he is Russian and got his education there, which may affect his views in the lectures, as a professional historian he has given strong reasons for his sayings and views, which makes him reliable.
Ryan 1513 (BMJ)	The British medical journal where the article was published, is a publishing division of the British Medical Association and is one of the best journals known for its medical publishing, making it a very reliable source.
Study.com	The author of the post I was using holds a Master of Arts degree in World History from Northeastern University and also holds a B.A. in History and Political Science from the same university making him a professional, which means that his statements can be trusted.

Source	Evaluation
The Wash- ington Post	The Washington Post is considered a highly trusted source, with only 13% of respondents not finding it credible in February 2022, additionally Joy Neumeyer is a historian of Russia and Eastern Europe, who is also a fellow at the Eastern University Institute, which highlights her expertise and credibility
Soviet Studies	Written by Rein Taagepera and Robert Dale Chapman, the document present some important information and statistics about the age of politburo members throughout the years, making it important for my research. All of the statistics have been clearly referenced making it reliable.
Documents and Resolu- tions	This is an official report of the 25 <sup>th</sup> Congress of the CPSU. The document has been published by the Novosti Press Agency, which was one of the main publishing houses in the USSR. Since the document has been official and reflect directly on the resolutions of the 25 <sup>th</sup> Congress, it can be said that this source it reliable and reflects accurate information of the event. However, since the report was likely affected by the Soviet government, some of the information could have not been publicly disclosed, and as a result the report may be lacking some important information.
Carnegie	This source is considered highly reliable among many academics and students, as it is known for its longevity having been founded in 1910, and for its expertise as it employs many scholars from around the world who are experts in their field and write accurate posts. Furthermore, the writer of the post I've been using is an associate professor at the Plekhanov Russian University of Economics, which is considered a very respectable university among many Russian people highlighting the credibility of the source.
The Soviet Economy towards the year 2000	Ambram Bergson, who is the author of this book, was an American economist and a professor at Harvard University. Making him very well qualified for my question. So I've decided to use it in order to gain the view of a professional economist specialising in the USSR as well as other areas of the economy.
Pravda	This was the most important Soviet newspaper with circulation of 11 million. All of the party members were obligated to read Pravda throughout Soviet history, which meant it had an incredible power in the USSR. Therefore, it is safe to think that the Soviet government could use Pravda to manipulate the people, which means that the information there might not have been accurate and reliable all the time. However, it serves a purpose of providing a deeper insight of how people lived and what people believed in at the time.
Seventeen moments in Soviet History	The website was developed by James von Geldern and Lewis Siegelbaum who are both professors of their respective universities one being Macalester College, and the other Michigan State University. This makes the facts from the website coming from experts and the fact that it was funded by the National Endowment for the Humanities meant that the topics presented were well researched providing valuable information, hence I decided to use it.

## References

- Bergson, A., & Levine, H. S. (2023). *The Soviet Economy*. Taylor & Francis.
- Bircher, R. (2015). *Oxford AQA History: A Level and AS Component 2: The Crisis of Communism: The USSR and the Soviet Empire 1953–2000*. Oxford University Press – Children.
- Era of Stagnation in the Soviet Union | Reasons, History & Impact | Study.com. (2023). Study.com. <https://study.com/academy/lesson/era-of-stagnation-in-russia-causes-effects.html#:~:text=Leonid%20Brezhnev%20died%20in%201982>
- Khrushchev, A. Personality Sketch | Cia Foia (foia.cia.gov). (n.d.). Wwww.cia.gov. <https://www.cia.gov/readingroom/document/cia-rdp79s00427a000100020010-6>
- Diamond Douglas, B., & Lee Davis, W. (1979). 'Comparative growth in output and productivity in US and USSR agriculture, in JEC (Vol. 2, – P. 19–55).
- Congress of the CPSU. (1976). URL: <https://www.marxists.org/history/ussr/government/party-congress/25th/25thcongresscpsu.pdf>
- Sergei Ermolaev. (2017, March 29). *The Formation and Evolution of the Soviet Union's Oil and Gas Dependence*. Carnegie Endowment for International Peace. URL: <https://carnegieendowment.org/2017/03/29/formation-and-evolution-of-soviet-union-s-oil-and-gas-dependence-pub-68443>
- Hanson, P. (2014). *The Rise and Fall of the Soviet Economy* (p. 113) – Routledge.
- Scott, G. (2020, January 29). *Centrally Planned Economy*. Investopedia. URL: <https://www.investopedia.com/terms/c/centrally-planned-economy.asp>
- Perspective | The political history of concealing illness, from Brezhnev to Trump. (n.d.). Washington Post. URL: <https://www.washingtonpost.com/outlook/2020/10/09/political-history-concealing-illness-brezhnev-trump/>
- Oxford Languages. (2024). *Oxford Languages*. Oxford Languages; Oxford University Press. URL: <https://languages.oup.com/google-dictionary-en>
- Ryan, M. (1988). Life expectancy and mortality data from the Soviet Union. *British Medical Journal (Clinical Research Ed.)*, – 296\*(6635), – P. 1513–1515.
- Cooperatives. (2015, June 22). *Seventeen Moments in Soviet History*. URL: <https://soviethistory.msu.edu/1985-2/cooperatives>
- Taagepera, R., & Chapman, R. D. (1977). A Note on the Ageing of the Politburo. *Soviet Studies*, – 29(2), – P. 296–305. URL: <https://www.jstor.org/stable/150758>
- McCauley, M., & Lieven, D. (2019). *Russia – The Gorbachev era: perestroika and glasnost* | Britannica. In *Encyclopædia Britannica*. URL: <https://www.britannica.com/place/Russia/The-Gorbachev-era-perestroika-and-glasnost>
- Lab, H. (2023, June 8). *По следам Советской Атлантиды с Юрием Емельяновым. Лекция 22. Расцвет брежневской эры* | History Lab. YouTube. URL: [https://youtu.be/HbS6h-wwG0kk?si=Q3Sizxg\\_fw4ErRD](https://youtu.be/HbS6h-wwG0kk?si=Q3Sizxg_fw4ErRD)
- Young, G. (2024, January 18). *Britannica Money*. Wwww.britannica.com. URL: <https://www.britannica.com/money/mixed-economy>
- Lab, H. (2021, December 18). *Вожди народов. Леонид Брежнев. Документальный фильм (2021)* | History Lab. YouTube. URL: <https://youtu.be/pl1GP6xLiBg?si=0IvmcuCg-ByMTU4U5>

submitted 21.09.2024;

accepted for publication 05.10.2024;

published 28.10.2024

© Reyson A.

Contact: artemreyson006@gmail.com