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**Review of 'Russia's Economic Transitions. From Late Tsarism to the New Millennium, NICOLAS SPULBER, Cambridge University Press, 2003'**

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Book Review:

Russia's Economic Transitions. From Late Tsarism to the New Millennium  
NICOLAS SPULBER

Cambridge University Press, 2003  
(420 pp)  
ISBN: 0521816998 (HB)

Nicholas Spulber has written an interesting and important book. There have been other books devoted to the economic developments in Russia in the past decade and there have been new editions of books on the Soviet economy that include large parts on the problems of transition. But Spulber is more ambitious. He identifies three major economic transitions in the history of Russia and the Soviet Union, the first one beginning in 1856, after Russia lost the Crimean War, when the feudal framework of Tsarism was (partially) broken up in favour of capitalist relations. The second transition is that from a market economy towards a centrally planned economy after the First World War, while the third is the re-introduction of market principles in the 1990s. The book consists of three parts, with each transition being discussed in the same format. There are three sections per part (*State Economy and Society; Sectoral Growth and Change; Social Accounting*), and three chapters per section. The strict thematic approach allows the reader to read up on a number of subjects through 150 years of history.

The three parts are roughly of similar length, the first one being 151 pages. It is this part that sets Spulber's book apart from other books on transition, or the Soviet economy for that matter. The extensive discussion of this period is highly informative and shows that the discussions and developments of the later days are by no means unique for Russia. Discussions on catching up (and overtaking) the western countries or the uniqueness of Russia were important issues in the debate on economic development in the second half of the 19<sup>th</sup> century, as they were in the 20<sup>th</sup>. Other interesting issues are that industry depended heavily on state investments, state subsidies, state purchases of output, low taxes and state laws (p.58) or that trade was hampered by a variety of administrative measures and partly was conducted in barter (p.101). Although the beginning of *The Tsarist Economic Transition* is pinpointed at the end of the lost Crimean War (1856) and abandoning serfdom in 1861 is given as the defining characteristic of the transition, it is difficult to determine the major changes in this period. Despite all developments, many things proceeded as before, with a centralised state and without any fundamental policies to mend the weakness of the agricultural sector or industry.

The fundamental changes are absolutely clear in *The Soviet Economic Transition*, part two of the book (133 pages). The state controlled almost all aspects of economic life and had a clear sense of direction, namely a fast development of the (heavy) industrial sector. Spulber describes the collectivisation in agriculture, the way in which the planned system achieved a rapid industrialisation, and the limited role money played in the economy, to conclude that the Soviet economy ended with a skewed capital stock and poor productivity in most of its sectors (p.284).

The final 117 pages deal with *The Post-Soviet Economic Transition* and discuss the events in the years after 1992. It is a period of major changes and many disappointments. Spulber quotes Gaidar as having said that the capitalism that

emerged in this period was “repulsive, ghastly, thievish and socially unjust.” (p.314). Almost all indicators of economic life showed a deterioration of circumstances, and many policies, for instance the privatisation of state enterprises and the reform of the banking system, did not turn out as well as was hoped for. According to the author, “the calamitous economic legacies left by the Soviet system’s methods of running the economy and society, along with the system’s failure to “catch up” with advanced Western capitalism, have left all kinds of obstacles to a rapid, coherent, easy passage to a fully market-directed economy.” (p. 401)

That, of course, is a sad conclusion to draw. But it also is a disappointing conclusion First, because it leaves policy makers in Russia with all kind of excuses of why they failed to reform the economy, without questioning their intentions. And second, it does not do justice to the economic growth that the Soviet Union has achieved during its existence. Setting aside discussions on its origins for the moment, Soviet growth was around 5 % annually between 1928 and 1960 and gradually fell to 2 % in 1980-1985, as is indicated in table 18-1 (CIA estimates). This is no small achievement and for a time the Soviet Union was catching up. Spulber, however, stresses the Soviet inability to incorporate technological progress into industrial processes.

There is more in the second and third part to be desired. There are inaccuracies that individually are not the gravest of errors, the United States is claimed to be the major Russian trading partner, both in import and export on p. 324, where that is Germany on both accounts, by far, and 27,000 large scale farms dispose of 50 % of agricultural land (149.2 million hectares) on p. 294, whereas total agricultural land in Russia is a steady 200 million hectares since 1970 and large scale farms cultivate roughly 80% of that (See also table 22-1), the introduction of new rubles where one ruble equals 1,000 old rubles is dated in August 1998 (p. 363), when it actually was in January of that year, to name only three, but taken together these errors leave an impression of casual treatment of very important and fundamental processes. An impression that is reinforced by the referencing, or lack thereof in the final parts of the book. Whereas the first part of the book averages 1.4 footnotes per page, part 2 has to do with 0.73 footnotes on average and part 3 only collects 0.68 footnotes per page. (The publisher can be blamed for leaving out a bibliography.)

This is a pity in a book that is otherwise rich in information and challenging in some of its observations.

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