



DETERMINANTS OF MACROECONOMIC PERFORMANCE IN POST-SOVIET TRANSITION ECONOMIES

Nematov Shavqiddin Husniddin ugli

IJDP between Tashkent State University of Economics

Universitas Pendidikan Indonesia

Tashkent State University of Economics

E-mail: shavqiddin1999@gmail.com

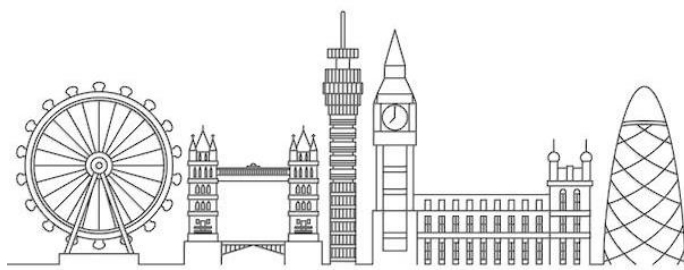
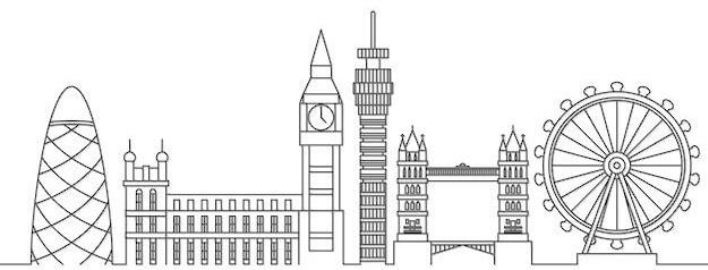
Annotation: *This thesis explores the diverse factors influencing the dynamics of macroeconomic indicators in post-Soviet Union countries. It examines the impact of historical legacies, institutional quality, structural reforms, external shocks, and geopolitical factors on key indicators like GDP growth, inflation, unemployment, and government debt. The paper highlights the unique challenges faced by these transitioning economies and the importance of analyzing these factors to develop effective economic policies for sustainable growth.*

Key words: *the Council of the Republics of the Supreme Soviet of the USSR, statistical information, Dynamics of GDP, inflation, unemployment, government debt.*

At the end of 1991, the Council of the Republics of the Supreme Soviet of the USSR adopted a declaration on the termination of the existence of the USSR. From that moment on, a long path of reforms and transformations began in the republics of the former Union, which proceeded unevenly and varied significantly in speed, forms and results. Not all countries entered the market in the same way; at present, they are at different stages of development and react differently to external economic shocks. All this determines the need to consider the macrodynamics of 15 former member countries of the Soviet Union (hereinafter, post-Soviet countries) in the period 1991-2015 in an inextricable connection with the previous development, which will allow us to assess the level achieved by each country, the influence of economic, social and political factors on the trajectory of the economy, and also to establish the synchronicity and closeness of the post-Soviet countries.

Considering the theoretical and methodological approaches to the study of the dynamics of development of post-Soviet countries, we can point to a number of authors who have dealt with this topic: E.S. Avdeeva, L.B. Vardomsky, A.G. Vinogradov, Z.Kh. Gaisumov, R.G. Gerasimova, K.Kh. Zoidov, I.G. Kalabekov, S.G. Kara-Murza, L. Kosikova, I.A. Mitin, K.V. Pavlov, B.P. Plyshevsky, R.F. Starkov, M.M. Sharipov, A.A. Akayev, M. Alexianu I. Andronova, Y. Ebzeeva, N.N. Klyuev, A. Korzhengulova, O.V. Moroz, M.F. Polynov.

Among the listed authors, we would like to draw special attention to three works.





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1. In his monograph, I.G. Kalabekov analyzes the causes of the collapse of the USSR and the consequences of the transition to a market economy. Almost all aspects of society are covered. The author often resorts to comparing the level of Russia's development with developed countries and the CIS countries. To illustrate the statements put forward, he actively uses long time series of macro-indicators.

The approach to presenting the dynamics of Russia's rating relative to countries of the world is worth noting. The negative aspects of the work include: lack of tables with initial information; incorrect construction of graphs; lack of any information on the methodology for comparing time series levels; different time intervals of analysis.

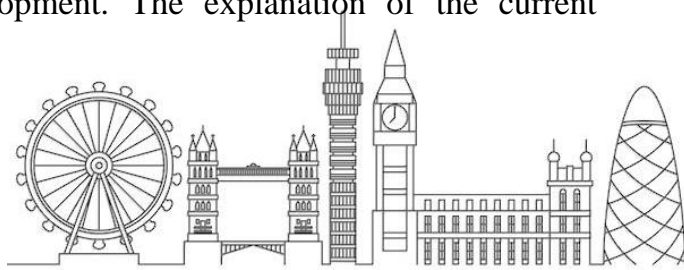
2. The work of S.G. Kara-Murza shows changes in the main economic indicators of the USSR and the post-Soviet republics for almost a century. An important feature is the fact that the data are presented in the form of graphs, not tables. According to the author, this ensures the clarity of the information and allows the reader to form an initial idea of the level of development of the Soviet economy. However, S.G. Kara-Murza, being an opponent of the collapse of the socialist system, makes several subjective conclusions. He illustrates the stronger development of the USSR economy compared to the current situation, overlooking some negative aspects of the Soviet system. Nevertheless, fairly long time series are presented, allowing us to trace the state of a particular production from the beginning of the 20th century up to and including 2010. In our opinion, the study would be significantly strengthened by presenting some time series in the form of tables, which would allow outside scientists to use this material in their scientific research.

3. The collective monograph under the direction of L.B. Vardomskys the most detailed scientific work devoted to post-Soviet countries. In particular, it provides a socio-economic review of each of the 15 republics of the USSR, analyzes the legacy of the Union and how it influenced the trajectory of the countries' movement during the transformation period. The merit of the collective of authors can be considered the development of a classification of the member countries of the Soviet Union at the time of its collapse.

Despite the highlighted advantages, it is possible to point out a significant drawback: being essentially a fundamental work in the field of economic theory, the study does not contain econometric models characterizing macrodynamics and the influence of factors on it. In our opinion, the use of this apparatus would significantly strengthen the work and make some conclusions more formalized.

The initial stage of the study is the formation of a matrix of statistical information, and the following sources were used:

1. Statistical information starting from 1990 can be found on the pages of national statistical bodies. It is worth noting that not all states provide information reflecting the situation in the 1990s, this complicates the possibility of compiling time series of the transformation and current period of development. The explanation of the current



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situation is the fact that the state of state statistics during the transition period did not meet the requirements of the market economy. This entailed an intensive process of adapting existing methods of collecting and processing data and introducing international standards and, as a result, the range of indicators for which monitoring was carried out was significantly reduced and (or) radically revised, and therefore cannot be compared.

2. The official website of the International Statistical Committee of the CIS can serve as a source of information on the macrodynamics of post-Soviet countries. Unfortunately, only indices of certain indicators for a short period of time are freely available, which makes it impossible to conduct a full-fledged analysis of the dynamics.

3. Another source of information on macrodynamics is the World Bank database. The positive aspects of this resource include: a long period of coverage of indicators (1960-2017); comparability of indicators; presentation of cost information in a single currency (US dollars). Accordingly, all indicators are presented in the same dimension, which allows for cross-country comparison. But, despite the presence of undoubted advantages, it is necessary to point out such a drawback as the discrepancy between the data of national statistical services and the World Bank data.

To assess the state of the economies of the former members of the USSR in the period 1990–2015, we will turn to macroeconomic indicators and, in particular, consider the dynamics of GDP per capita (Table 1).

Table 1**Dynamics of GDP per capita in the context of post-Soviet countries, US dollars[1]**

Страна	1990 г.	1995 г.	2000 г.	2005 г.	2010 г.	2015 г.	Коэффициент роста (2015 г. к 1990 г.)
EST	3589	3086	4067	10 330	14 641	17 112	4,77
LTU	2774	1847	3310	7819	11 890	14 384	5,19
LVA	3632	2173	3347	7597	11 368	13 704	3,77
AZE	905	396	650	1547	5 814	5439	6,01
GEO	1548	534	645	1433	2 738	3491	2,26
RUS	3869	2694	1774	5320	10 652	9243	2,39
UKR	719	594	561	555	1425	2308	3,21
MDA	911	407	307	719	1423	1591	1,75
UZB	1823	991	664	1907	3093	2022	1,11
BLR	1845	1364	1047	3134	5818	5751	3,12
TKM	839	523	1096	2987	4479	6997	8,34
ARM	650	426	663	1733	3332	3489	5,36
TJK	537	211	139	340	744	926	1,72
KAZ	1798	1291	1223	3697	9077	10 312	5,74
KGZ	594	325	277	481	877	1 106	1,86





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The leading positions (despite the insignificant volumes of national wealth) in 2015 are occupied by the Baltic countries: Estonia, Lithuania and Latvia. From this we can conclude that the entry of these countries into the European Union in 2004 had a positive impact on the growth of welfare of these countries (there is a fourfold increase in the indicator in 2015 compared to 1990).

Despite the fact that Belarus and Ukraine are territorially located on the periphery of the European Union, these countries did not join it. This is due to both internal contradictions (the dominance of Germany, the alienation of Great Britain, the migration crisis), and the desire to "fence themselves off" from Russia with a "buffer zone". All this allows us to assert that the post-Soviet countries that did not manage to join the union will not be able to do so in the medium term.

There are also outsider countries: Moldova, Uzbekistan, Tajikistan, Kyrgyzstan. In 2015, the gap between Estonia (maximum value) and Tajikistan (minimum value) is 18.5 times. If we look at the Russian dynamics, we can see that it is lagging behind the Baltic countries. If in 1990 the indicators were comparable, then in the 1990s the gap worsened, only in the mid-2000s, thanks to high oil prices, it was possible to approach the values of European countries, but under the pressure of the 2014 crisis, a decline began again.

Impact on Macroeconomic Indicators:

GDP Growth: Varied significantly across countries, influenced by factors such as institutional quality, structural reforms, and external shocks. Some countries experienced rapid growth, while others struggled with stagnation or decline.

Inflation: High inflation rates were common in the early transition period, but they gradually stabilized as countries implemented economic reforms and strengthened institutions.

Unemployment: Unemployment rates remained high during the transition period, as industries restructured and new job opportunities emerged.

Government Debt: Increased government debt levels were often a consequence of economic crises, political instability, or the need to finance social programs and infrastructure projects

Over 70 years of development of the Soviet power, despite the Civil War and the Second World War, the largest union of peoples differing in religion, mentality, traditions and level of socio-economic development was created. Industrialization of the Soviet Union had a significant impact on the fraternal republics (in fact, some peoples were "torn" from feudalism), as a result of which by the time of the collapse of the Union they had accumulated a significant amount of resources, which laid the trend for their further development. The process of transition to a market economy was accompanied by the breakdown of old institutions and the formation of new ones, as a result of which the economic growth of the Soviet period was lost in all countries, while in most of them the achievements of the late 1980s have not been overcome. The conducted analysis of the factors influencing the economy of the post-Soviet countries leads to a number of





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important conclusions, first of all, the considered set of 15 republics is significantly differentiated by the level of development, trajectory of movement and centers of gravity. Econometric methods show significant variations in factors operating at different time intervals and within each of the compared countries. The more time passes since the collapse of the Union, the more dissimilar the post-Soviet countries become to each other.

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