Assessing Soviet Economic Performance



Assessing Soviet Economic Performance Author's Comments: James Noren

The CIA documents excerpted in this section illustrate the range of CIA's coverage of economic intelligence that supported US policymakers during the Cold War. The first document, "Long-Run Soviet Economic Growth," used an innovative analytical approach to address a much-debated question in the 1950s-1960s. Soviet agriculture, the Achilles' heel of Soviet economic development, was also an ongoing focus of CIA analysis. "The New Lands Program in the USSR" suggests the depth of research devoted to this subject. It was arguably the most important initiative of the 1950s.

CIA work on Soviet military spending was necessary to research on the Soviet Gross National Product (GNP). US defense planners enthusiastically read such material, asking for disaggregated estimates like those in the third document, "Soviet Military Expenditures by Major Missions, 1958-65." Monitoring Soviet crop prospects also attracted intense interest, especially after the USSR began to buy grain after poor harvests. "The Soviet Grain Deficit" is a typical report intended for the Washington audience. Searching for the causes of the slide in economic productivity, CIA tried to find alternative relations between output and inputs of labor and capital in the USSR. "Investment and Growth in the USSR" identifies one plausible source of the problem. CIA analysts also raised questions about the impact of technology transfer on Soviet capabilities during the Cold War. "Soviet Economic and Technological Benefits from Détente" is an example of the many papers issued in response to this question.

As a warning of the Soviet Union's impending descent into economic stagnation, "Soviet Economic Problems and Prospects," issued in 1977, was a paper of first importance. Reprinted by the Joint Economic Committee of the US Congress, it set out the reasons why the Soviet economy was in trouble and why its future was so grim. In addition, CIA singled out problems in Soviet oil production as a major factor in the outlook for the economy. See the selection, "The Impending Soviet Oil Crisis." The next document "Organization and Management in the Soviet Economy: The Ceaseless Search for Panaceas," represents CIA's consistently negative appraisal of Soviet attempts at economic reform, one prong of Moscow's efforts to jump-start the Soviet economy.

CIA's involvement in heated policy issues was evident in the Reagan administration's determination to stop the Siberia-to-Western Europe gas pipeline. The Agency's unwelcome evaluation of the chances for success were set out in "Outlook for Siberia-to-Western Europe Natural Gas Pipeline," a paper typical of the numerous assessments of various proposed sanctions and embargoes. The final selection, "Gorbachev: Steering the USSR in the 1990s," described the impasse Gorbachev's economic policies reached by 1987, considered the options open to him, and concluded that he could be deposed because of failure to deliver on his promises.