



IMF Working Paper

The Great Contractions in Russia, the Baltics and the Other Countries of the Former Soviet Union: A View from the Supply Side

Mark De Broeck and Vincent Koen



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Correction 1

**Subject: The Great Contractions in Russia, the Baltics and the Other Countries
of the Former Soviet Union: A View from the Supply Side**

The views expressed in this Working Paper are those of the author(s) and do not necessarily represent those of the IMF or IMF policy. Working Papers describe research in progress by the author(s) and are published to elicit comments and to further debate.

CORRIGENDUM

The attached page 1 of WP/00/32 (March 2000) is being reissued to include the footnote which was inadvertently omitted.

Att: (1)

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**The Great Contractions in Russia, the Baltics and the Other Countries
of the Former Soviet Union: A View from the Supply Side**

Prepared by Mark De Broeck and Vincent Koen¹

Authorized for distribution by Tamim Bayoumi

March 2000

Abstract

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The output contractions during the initial transition stages in the Baltics and in Russia and the other CIS countries are examined across several dimensions, and the reliability of the available official statistics evaluated. The depth, length and breadth of the contractions are studied and set against a longer-run historical perspective. The relationship between inputs and outputs as described in a standard accounting framework shows that there is more to the contractions than collapsing investment and shrinking employment. Sharp declines in productivity, reflecting in part transition-related factors, also played a major role.

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