A quarter of century has passed since the Soviet economy collapsed. Interest in the Soviet economy seems to be waning, although the new Russian economy is attracting continuous attention. I started studying the Soviet economy as a postgraduate student in 1980 when the Socialist system was still towering despite ominous signs of stagnation and disintegration. Over the next 10 years, the entire socialist system abruptly fell apart; the subject of my study disappeared. Frankly, my interest in the Soviet economy had also been waning after its collapse, even though I always felt that I had only partially finished my study. Important questions, such as whether the Soviet economy was inherently unsustainable, whether the Soviet strategy for economic development was applicable to other economies, and what determined the timing of the systemic collapse of 1990, did not seem to have been fully answered. Although these questions lingered in my mind, it seemed difficult to empirically investigate these questions, because relevant Soviet economic data was lacking.

The opening-up of Soviet archives was indeed a revelation on the ways to study the Soviet economy further. To a scholar who had been struggling with scant, unsystematic Soviet economic data, the archives, now open to the public, seemed like a veritable treasure trove. Later, I understood that the Soviet archives are comparable to a huge treasure island where it was difficult to locate the treasures. However, I may have had beginner’s luck as I found data both from original archive materials and from publications collecting archive materials to build a minimum data set for the analyses in this book.
This book approaches the Soviet economy from a monetary perspective and uses new data and methods. I do not believe that the different approach and new data and methods have fundamentally changed the previous understanding of Soviet economy; rather, they have strengthened and supplemented this previous understanding. In addition, this book sheds new light on the image of the Soviet economy: The Soviet economy was fundamentally unsustainable because it lacked a functioning mechanism to manage fiat money. It seems almost impossible to establish a mechanism to manage fiat money, which can coexist with an administrative command economy that is functioning by material planning. Soviet authorities and economists had never been successful in answering how to manage fiat money under material planning. I do not have any idea how to manage fiat money without using market mechanism either.

If more data become available, it would be possible to analyze the Soviet economy more thoroughly using rigorous methods; even quantitative studies that compare long-term economic development in the Soviet Union with that in other countries might become possible. The Soviet economy was a huge experiment that used an entire socio-economic system as the test bed. I believe that the potential of Soviet economic studies to contribute to the advancement of general economics is still large.

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