

**SELECTED ASPECTS OF SOCIO-ECONOMIC DEVELOPMENT
OF THE CIS COUNTRIES IN 1992-2000 YEARS**

By Yuri Ivanov and Tatiana Khomenko

Interstate Statistical Committee of the Commonwealth of Independent States

The purpose of this paper is to review briefly the most important aspects of the socio-economic development of the CIS countries for the period from 1992 to 2000. The efforts are undertaken to show the impact of the various models of transformation of the centrally planned economies into the market oriented ones chosen by the countries on their specific socio-economic characteristics. The paper reviews major demographic indicators of the countries concerned characterising population, its structure, employment, natural movement (births, deaths), migration and so forth. A considerable attention is paid to a review of indicators of standard of living and the factors responsible for the changes in it during the transition period as well as the relative differences between the countries. Some attention is also paid to indicators of distribution of income between the various strata of population.

The paper is organised in the form of detailed comments to the tables presented in the annex. The data in the tables are the official figures supplied by the CIS countries to the CIS Statistical Committee with the help of questionnaires. In some cases the figures are computed by the CIS Statistical Committee; as a rule, such figures are footnoted. The data for 2000 are preliminary.

It should also be noted that the data on households' income are obtained by the countries from two major sources: the so called balance of money income and expenditure of population which was an integral part of the Material Product System (MPS) employed in the former USSR for macroeconomic analysis and from the sample surveys of households; it should be admitted that in some cases these two sources are not rigidly harmonised.

* *

*

1. The CIS countries can be classified into three groupings depending on the model chosen by them for transformation of their centrally planned economies into a market oriented ones during the transition period. As it will be shown below this classification in many cases explains the differences between the CIS countries in there socio-economic characteristics.

The first group to which belong Russia, Kyrgyzstan and Moldova has adopted the radical model of transformation. In these countries the broad liberalisation of prices and economic activity has been carried out and the role of the state in the economy has significantly diminished; a large part of the state property has been privatised and the financial policy focused on containing inflation by setting rigid limits on money supply and stabilising exchange rates of national currencies; the latter was considered an important step in this context due to the increased flow of consumer goods from the rest of the world; in order to reduce the budget deficit a tight fiscal policy aimed at restriction of the state budget expenditure was carried out.

The second group includes countries which have chosen the model of gradual transformation of their economy with the active regulating role of the state and provision of certain social guarantees to the population. These countries are Azerbaijan, Belarus, Kazakhstan, Tadjikistan, Turkmenistan, Uzbekistan.

The third group covers the countries where the model of transformation can be considered as intermediate between the first (radical) type and the second (gradual) type. This group comprises such countries as Armenia, Georgia and Ukraine where the rigid monetary and fiscal policy was accompanied by significant economic and social difficulties. Prior to 1994-95 these countries employed the gradual model of transformation, however, during the recent years their governments employed the so called “shock therapeutics” method.

This classification cannot claim high degree of precision because even within the same group the countries differ noticeably in respect of their economic potential, natural resources, historical and national traditions, institutional set up as well as the general political situation and the external influence. Thus, Russia and Moldova (which belong to the first group), Belarus and Kazakhstan (the second group), Georgia and Ukraine (the third group) differ considerably in respect of many of the above mentioned characteristics which led to significant differences in their social and economic developments. The economic situation in some countries (Armenia, Georgia, Tadjikistan) was affected to a considerable extent by the war conflicts. Thus, when generalising and analysing the results and patterns of the social and economic development of the CIS countries during the transition period it is essential to take into account the above mentioned specific conditions.

2. In the most of the CIS countries the GDP in 2000 was still lower than in 1992 (the first year of their independence, when the rate of economic growth diminished as compared with the previous years). Only two countries (Armenia and Uzbekistan) exceeded the level 1992: Armenia - by 32% and Uzbekistan - by 11%; however, the high rates of growth in Armenia is partly explained by the low base year level due to the war. Belarus came very close to the level of 1992, while Ukraine achieved only half of this level. The GDP of other countries varied from 86 to 60% to 1992 level.

The differences between the countries' economic level can be illustrated by the GDP per capita data converted in the USA dollars with the help of official exchange rates. In 2000 Russia, Kazakhstan and Belarus had the highest level (more than 1000 USD) while in Moldova, Kyrgyzstan and Tadjikistan the level was the lowest (about 300 USD and less). In other countries the GDP per capita amounted to about 500-700 USD.

The data on the GDP and other main economic indicators can be seen in the table 1. The data for Turkmenistan are not available.

3. The demographic situation in the CIS countries during the transition period has undergone significant changes due to natural movement (increase or decrease) of the population and rise of migration.

The differences in the rates of natural movement of population, which always existed between the former Soviet republics (due to the religious factor and national family traditions) have proved to be much deeper during the transition period (see table 2). At the beginning of 2000-2001 in comparison with the beginning of 1992 the population in all European CIS countries (except Armenia) decreased by 2-6% and in Kazakhstan by 9.5%, while in Central Asian states, Azerbaijan and Armenia it increased. The largest growth was registered in Turkmenistan (34%), the smallest - in Armenia (4%).

However, the natural increase of population in all countries registered in 1999 was much lower than in 1992; in Belarus and in Moldova in 1999 the natural decrease was registered, while in 1992 there was the natural increase in these countries; in Russia and Ukraine the rates of natural decrease were higher than in 1992 respectively by 4,2 and 3,5 times.

The fall in the rates of natural increase of population can be attributed in all the CIS countries to worsening of social conditions of life and diminishing standard of living. Both decrease in the rates of births and increase in the rates of deaths are the factors of the natural decrease. Thus, the number of births per 1000 population decreased in Belarus from 12.4 in 1992 to 9.3 in 1999, in Kazakhstan – from 20.6 to 14.2, in Russia – from 10.7 to 8.3, in Ukraine - from 11.4 to 7.8 respectively. At the same time the number of deaths per 1000 population increased in Belarus from 11.3 to 14.2, in Kazakhstan – from 8.4 to 9.8, in Russia – from 12.2 to 14.7, in Ukraine – from 13.4 to 14.8. In Azerbaijan, Armenia, Georgia, Kyrgyzstan, Tadjikistan, Turkmenistan and Uzbekistan both the number of births and the number of deaths per 1000 citizens have decreased: the former - significantly and the latter – to less extent.

The major causes of increase of mortality are associated with diseases such as heart diseases, cancer, tuberculosis, etc. For example, in 1999 the number of patients with active tuberculosis was larger than in 1992 in Armenia, Moldova and Kyrgyzstan by 60-70%, in Belarus, Kazakhstan, Russia and Ukraine – by 30-40%.

At the same time the growth of mortality can be attributed to some extent to ageing of population. Thus, in 1999 the share of population which reached 65 years and higher amounted in Belarus, Georgia, Russia and Ukraine to 13-14%.

4. The migration processes (both inside and outside the former USSR) were most intensive at the beginning of the transition period. In 1999 the highest level of emigration was registered in Kazakhstan - 11 persons per 1000 of population; here is also the highest rate of migration outside the former USSR (3 persons per 1000 population) which is connected with the repatriation of Germans. The lowest rate of migration was in 1999 in Georgia where it practically ceased to exist. Russia was the only country where the rate of migration outside the former USSR in 1999 was higher than in 1992 (by 5%). The data on migration of population for 1999 are shown in the table 3.

5. Despite the different demographic situation the age structure of population has changed in all the CIS countries in the similar way (see table 4). The share of children has decreased; the largest decrease in 1999 as compared with 1991 occurred in Armenia

and Russia (by 6 and 5 percentage points respectively). The share of other age groups has changed in all the CIS countries by 1-3 percentage points. The most stable age structure was maintained in Azerbaijan where its change during the period in question was about 1 percentage point.

6. The structure of employment has changed significantly in all the CIS countries (see table 5). The share of employees in the total number of employed persons diminished in all countries, however, to various extent. In 1992 it varied between 70% in Armenia and 97% in Belarus and Russia. In 1999 the largest magnitude remained almost the same (96%) in Belarus but the smallest one dropped to 42% in Kyrghyzstan. The share of employees in this country decreased almost by half.

The similar pattern of changes was characteristic for the employed in the public sector. Their share in the total number of employed persons varied in 1992 between 50 and 75%. In 1999 the largest share of employed in the public sector was in Belarus (64%) while in Kazakhstan and Kyrghyzstan it dropped to 23%; the public sector in other countries covered 30-40% of employed persons. Data for Georgia and Turkmenistan for 1992 were not available.

The unemployment rate increased in all countries. The largest rate was registered in 1999-2000 in Armenia (11%), the smallest – in Uzbekistan (0.4%). In other countries the unemployment rate amounted to 1-4% (except for Turkmenistan where unemployment was not registered). The data for Georgia for the recent years were not available, however, the high rate of unemployment can be assumed judging from the large number of unemployed (95) per one vacancy in 2000. This number was highest in Armenia (274), while the smallest – in Russia (1.4). In Kazakhstan and Kyrghyzstan in 2000 there were 25-28 unemployed per 1 vacancy, in Moldova and Ukraine – 15-17, in Belarus, Tadjikistan and Azerbaijan – 3-8.

7. Dramatic changes have occurred in the standard of living in all countries. As it can be seen in the table 6 the inflation rate has exceeded the rate of income growth; in Tadjikistan this excess was especially crucial: in 2000 as compared with 1992 the consumer price index was 7.5 times higher than the index of the nominal average monthly wage and salary. In Azerbaijan, Kazakhstan, Moldova, Russia and Ukraine this

excess amounted to about 1.6-2.3 times. In Kyrghyzstan and Armenia it amounted to 20-30%; however, in these countries the consumer price index was much higher if compared with the index of the nominal money income per capita (1.9 and 2.8 times respectively in 1999). Only in Belarus the consumer price index was less than the index of the nominal average monthly wage and salary (in 2000) and the index of the nominal money income per capita (in 1999). For Georgia, Turkmenistan and Uzbekistan the data were not available.

8. The analysis of changes in the structure of the gross disposable income of households by sources (see table 7) shows that the compensation of employees still remains the main source of households' income in the most of the countries: its share amounted to 95% in Tadjikistan (data for 1996), 75-80% in Belarus (1999), Russia (1998), Ukraine (1998), 60-70% in Armenia (1998), Moldova (1998) and Uzbekistan (1996), about 50% in Kazakhstan (1999) and Georgia (1995). In comparison with 1992 this share decreased in all countries except for Georgia; most significantly it diminished in Azerbaijan (from 71 to 35%). Data for Turkmenistan are not available.

The decline in the role of compensation of employees as a major source of income for households was compensated in the most of the countries by noticeable increase of the share of income largely associated with the entrepreneurial activities of households; this refers, first of all, to the gross mixed income, which is earned by unincorporated enterprises owned by households. This type of income has become predominant for households in Kyrghyzstan and Azerbaijan (about 60%); it also has become significant in such countries as Uzbekistan, Tadjikistan, Moldova and Kazakhstan (30-40%). In Tadjikistan the growth of the share of the gross mixed income was particularly high: from 4% in 1993 to 33% in 1996.

The property income does not yet play an important role in the households' disposable income, however, it increased somewhat in the most countries (except for Georgia and Armenia). Its largest share amounted to 3-4% in Ukraine and Russia (1998).

The net flow of current transfers (which include, in particular, as inflow social benefits and as outflow payments to social security schemes) changed from negative in 1992 to positive in 1999 in such countries as Azerbaijan, Armenia, Belarus, Georgia and Uzbekistan. In Armenia it has become an important source of households' income

accounting for 12% of their gross disposable income. Its share is rather high in Azerbaijan and Kazakhstan (8-9%). In Kyrgyzstan, Moldova, Russia, Tadjikistan and Ukraine the net flow of current transfers remained negative; the negative magnitude of this flow has become especially large in Tadjikistan (-28%).

9. Similar changes in the structure of households' income can be seen when analysing the data on money income obtained with the help of the sample surveys of households (see table 8). As noted above, money income of population represents an indicator of the balance of money income and expenditure of population which was a part of the Material Product System (MPS) used in the former USSR. It was an important tool of monitoring and planning money circulation. The indicator of money income of households is still computed in the CIS countries although it is not entirely consistent with the SNA concept of income. The data for Russia, Turkmenistan and Uzbekistan are not available for 1999.

As it can be seen from the above data the labour income (which is close to the gross wage in the SNA terminology) represented the main source of money income in 1991-92 in all CIS countries: its share varied from 50% in Armenia to 79% in Kazakhstan. In 1999 the labour income remained a major source of income in Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova and Ukraine. Its share decreased at all countries, especially in Azerbaijan and Tadjikistan where other types of income and receipts became predominant. (It is a composite item and it contains among other things the income from entrepreneurial activities of households which is close to the mixed income.) Its share in these countries exceeded 40% and was higher than the share of the labour income (32-35%). In Armenia the share of other income and receipts is also high (about 40%) which is almost equal to the share of the labour income.

The share of the earnings from sales of agricultural goods increased in the most of the countries (except Belarus, Kazakhstan and Moldova) and became the most significant in Tadjikistan and Georgia (above 20%).

The share of the social benefits is especially big in Ukraine (25%), Belarus (19%) and Moldova (15%).

10. The comparative level of income of households can be assessed on the basis of the data on the average nominal per capita money income of households, the average nominal monthly wage and the average pension converted into US dollars using the official exchange rates (see table 9).

The highest level of the average nominal per capita money income of households in 1999 was registered in Russia and in Belarus; it amounted to 782 USD and 674 USD respectively. The level of this type of income in Belarus in 1999 came much closer to the level in Russia (87% against 17% in 1994). In Azerbaijan and Uzbekistan this type of income in 1999 amounted to about 500 USD (about 2/3 to the Russian level). In Ukraine and Armenia it was approximately 300 USD in 1999 (about 40% to the Russian level). The lowest level of this type of income was reported by Kyrgyzstan (152 USD) and Tadjikistan (98 USD); in 1994 the latter had also the minimum level (17 USD) while the former's position was better (161 USD). The data partly were not available for Georgia and Turkmenistan both for 1994 and 1999; for Kazakhstan, Moldova and Uzbekistan – for 1994.

Ranging of countries by the level of the average nominal monthly wage and salary looks quite differently. The highest level in 2000 was in Kazakhstan (94 USD), in Russia it amounted to approximately 80 USD, in Belarus – to 74 USD, in Uzbekistan – to about 60 USD (1999), in Azerbaijan, Ukraine and Armenia – to about 40 USD, in Georgia (1999), Kyrgyzstan and Moldova – to 25-30 USD. The lowest level (9 USD) was registered again in Tadjikistan; it amounted only to 9% of the maximum level achieved by Kazakhstan. The data for Turkmenistan for 1999 were not available.

The level of the average monthly pension in 1999 varied from 38 USD in Belarus to 2.5 USD in Tadjikistan. The data for Turkmenistan and Uzbekistan for 1999 were not available.

As it can be seen from the table Russia has lost the top position among the CIS countries in respect of the level of the average nominal monthly wage as well as in respect of the average monthly pension which can be explained by the fall of the rouble after the financial crisis in 1998. At the same time the top position of Russia in respect of the average nominal per capita money income of households has not changed. It can be explained by the fact that households widely used additional sources of income, a great deal of which originates in the underground economy. From the other side, the

employers are also involved in the underground activity and often underreport both their profits and wage and salary.

11. Differentiation of households by the income level has more or less the same pattern in all the CIS countries (see table 10). The group of households with the lowest income in 1998-99 had at their disposal 4-7% of the total income, while the group with the maximum income – 40-56%. The extreme figures (4 and 56%) refer to Turkmenistan. For Azerbaijan, Armenia, Georgia, Tadjikistan and Uzbekistan the data were not available.

Gini coefficient varied in 1999 from 0.27 in Belarus to 0.43 in Kazakhstan. The so called coefficient of income funds (which represents the ratio of income of the richest and poorest groups of households) amounted to 5-6 in Turkmenistan (1998), Ukraine and Belarus, 10-11 - in Kyrghyzstan and Kazakhstan, 14 - in Russia. For Belarus it was estimated in terms of available resources, for Ukraine - as the ratio of the money expenditures. The data for Azerbaijan, Armenia, Georgia, Moldova, Tadjikistan and Uzbekistan were not available.

The data on the level of poverty which is characterised by the share of the population with the income below the minimum of subsistence level (the minimum consumer basket) are available for 1999 only for Belarus, Kazakhstan, Kyrghyzstan, Russia and for Ukraine for 1998 (see the table 11). In Kyrghyzstan and Belarus about half of the population has such a low income level, in Kazakhstan, Russia and Ukraine - about 30%.

12. In the context of analysis of the data on the use of the gross disposable income of households and their saving rate the countries can be classed into 2 groupings (see table 12).

In the first group the saving rate (the ratio of saving to the disposable income) varied from 1-3% in Georgia (1995), Uzbekistan (1999), Ukraine (1998) and Belarus (1999) to 6% in Russia (1998). In comparison with 1992 the above rate decreased in all these countries, but this decrease was especially noticeable in Uzbekistan (from 41% to 2%).

In the second group covering Azerbaijan, Armenia, Kyrgyzstan, Moldova and Tadjikistan the final consumption expenditure of households exceeded their gross disposable income, especially in Tadjikistan (2.9 times, 1996), Armenia and Azerbaijan (1.4 times, 1998). It means that due to the insufficient current income the households in these countries had to finance their consumption expenditure mostly from the previously accumulated savings. In 1992 the situation was similar in the above mentioned countries (except for Moldova) and it worsened for the most of them (excluding Armenia). In Moldova the ratio of the final consumption expenditure to the gross disposable income of households increased from 73% in 1992 to 115% in 1998.

Kazakhstan was in 1999 in the intermediate position between these two groups of countries: the total gross disposable income was used for the final consumption purposes. In 1992 the saving rate of its households amounted to 4.5%.

Data for Turkmenistan were not available.

13. The data of the sample surveys of households show significant shifts in the structure of consumption expenditure of households (see table 13). The data for 1999 for Turkmenistan, Uzbekistan and partly Moldova were not available.

In 1999 in all the CIS countries purchases of food stuff were the predominant part of the consumer expenditure. The share of these purchases was the highest in Azerbaijan and Tadjikistan (about 3/4), while in other countries it amounted to about 50-60%.

The share of purchases of non-food goods dropped since 1992 in all countries, but especially in Ukraine (more than twice), Azerbaijan and Tadjikistan (about 2 times). The highest level of it in 1999 was registered in Russia, Belarus and Kyrgyzstan (about 30%); the lowest (14%) – in Armenia.

Variation in the share of purchases of services by households among the countries was not very significant in 1992: from 4 to 9%. Commencing 1992 it increased in all countries, however, in a very uneven way. In 1999 in Georgia, Armenia and Kazakhstan it reached 21-25%, while in Tadjikistan, Belarus and Azerbaijan it amounted to 7-9%.

The share of purchases of alcoholic beverages decreased in all countries.

14. The data on consumption of main food products reveal significant distinctions between the countries both in 1992 and 1999 (see table 14). (The data for 1999 are available only for Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Russia and Ukraine.) These differences can be explained partly by the national traditions and partly by the different level of living standard.

The consumption of main food products in 1999 varied in the above countries as follows (per year per capita): bakery products - from 101 kg (Kazakhstan) to 150 kg (Azerbaijan), potato - from 38 kg (Azerbaijan) to 170 kg (Belarus), vegetables and melons - from 76 kg (Kazakhstan) to 118 kg (Kyrgyzstan), meat and meat products - from 19 kg (Azerbaijan) to 62 kg (Belarus), milk and dairy products - from 147 kg (Azerbaijan) to 334 kg (Belarus), eggs - from 45 (Kyrgyzstan) to 237 (Belarus).

In comparison with 1992 consumption of bakery, meat, milk and dairy products and eggs decreased in all the above countries (except consumption of bakery products in Azerbaijan, which did not change). Consumption of vegetables and melons increased in all countries as well as consumption of potato in Azerbaijan, Belarus and Kyrgyzstan. This increase can be attributed to the growth of consumption from own production due to diminished flow of money income; it appears that this shift can be easier achieved in the case of these products rather than in the case of animal goods and grain.

The deepest drop of consumption of the main food products occurred: for bakery products (55 kg) and potato (32 kg) - in Kazakhstan (which accounted for 1/3 of the consumption of these items in 1992); for meat (20 kg), milk and dairy products (75 kg) - in Ukraine (which amounted to more than 1/3 and 1/4 of 1992 level respectively); eggs (above 80) - in Kyrgyzstan and Kazakhstan (2/3 and 1/2 of 1992 level respectively).

15. The stocks of consumer durable goods per household, such as TV sets, tape recorders, refrigerators and freezers, washing machines, vacuum cleaners and passenger cars, are computed by the countries on the basis of the data on sales of the above goods and duration of their service life. As it can be seen from the table 15, these data differ noticeably among various countries. (Data for Georgia for 1992 and for Armenia for 1999 were not available.)

In 1999 the largest stock of all types of the above durables was registered in Russia, while the smallest stock was found in Uzbekistan. During the transition period the situation has changed differently for various types of durables and various countries.

In Russia the stocks of all such goods increased, especially the number of cars (by 70% to 1991). In Azerbaijan the stocks of durable goods also increased except for TV sets and cars, the number of which remained the same.

The stock of cars increased in the most of other countries except Kyrghyzstan and Tadjikistan; for Georgia, Turkmenistan and Uzbekistan the data on cars for 1999 are not available. The highest increase beside Russia was in Belarus (by 77%) and in Moldova (by 70%).

In Kazakhstan, Kyrghyzstan, Moldova, Uzbekistan and Ukraine the stocks of all other durable goods (except cars) dropped in comparison with 1992, some of them rather significantly: for example, TV sets in Ukraine - by 62%, tape recorders in Uzbekistan - by 64%, refrigerators and freezers in Uzbekistan - by 47%, washing machines in Uzbekistan - by 46%, vacuum cleaners in Moldova - by 54%.

In Belarus, Tadjikistan and Turkmenistan the stocks of some durable goods (beside cars) increased.

16. Expenses for social and cultural purposes accounted for 30-40% of the total expenses of the state budget in the most of the CIS countries in 1999 (see table 16; the data for Turkmenistan and Uzbekistan for 1999, for Georgia and Ukraine for 1992 were not available). The largest share of these expenses was in Kyrghyzstan (50%), while the smallest one - in Armenia (16%). Since 1992 it has changed in various countries differently as a result of differences in the social and fiscal policy. In Kyrghyzstan it has increased significantly (by 13 percentage points), in Belarus and Russia - by 4-6 percentage points. At the same time it has decreased in Armenia (by 20 percentage points), in Tadjikistan (by 16 percentage points), in Moldova and Kazakhstan (by 4-5 percentage points).

The ratio of social and cultural expenses financed from the state budget to the GDP in 1999 amounted to 14% in Belarus, 10-11% in Kyrghyzstan, Moldova and Ukraine, 6-8% in Azerbaijan, Kazakhstan and Russia and 3-4% in Tadjikistan, Armenia and Georgia (1998). In comparison with 1992 it increased only in Belarus and Russia;

in Kazakhstan it remained the same. It decreased most significantly in Tadjikistan (by 18 percentage points) and Armenia (by 9 percentage points).

The difference among the countries in the level of expenses on social and cultural purposes per capita valued in USD dollars using the official exchange rates has enlarged. In 1992 the largest expenses (49 USD in Belarus and Russia) exceeded the smallest expenses (11 USD in Armenia) by 4 times. In 1999 the largest value (143 USD in Belarus) was 23 times larger than the smallest value (6 USD in Tadjikistan).

17. The ratio of the actual households final consumption (which is the total of the households final consumption expenditure and the social transfers in kind) to the households final consumption expenditure (see table 17) shows the role of the government in raising standard of living. The social transfers in kind in accordance with the SNA 1993 concepts largely refer to the non-market social and cultural services provided to households free or almost free by the general government and non-profit institutions serving households (NPISH).

As it can be seen, their role in the most of the countries diminished during the transition period (except in Belarus). The above ratio has dropped especially noticeably in Tadjikistan: from 140% in 1992 (which was the highest level among the CIS countries) to 108% in 1999. The largest ratio in 1999 was registered in Belarus, Moldova and Ukraine (124-125%), the smallest - in Armenia (104%).

* *
*

18. In general, the significant decrease of main economic indicators is characteristic for the countries, which have chosen the radical or intermediate model of transformation. The economic growth in some of these countries during the last years depends to a significant extent on the external factors; for example, in Russia - on prices on crude oil, gas and other products of the export-oriented industries at the world market; in Kyrghyzstan the factor of the external assistance played an important role. The worst situation in the grouping of countries was in Moldova which does not have

significant natural resources and where the supply at the labour market exceeded the demand even during the Soviet period.

The same refers also to the countries of the third (intermediate) grouping comprising Armenia, Georgia and Ukraine. The situation in Armenia and Georgia was aggravated by war conflicts which occurred at the beginning of the transition period.

In the countries which employ the model of gradual transformation (especially in Uzbekistan and Belarus) the decrease has been noticeably smaller and some indicators reached or surpassed the pre-reform level.

The worst situation in this grouping was in Tadjikistan where the economy was undermined by the long civil war. It is difficult to analyse the situation in Turkmenistan due to the lack of many important data; however, this fact in itself as well as the scarce information available do not allow to make very optimistic conclusions.

19. In 2000 the macroeconomic situation in the CIS countries was relatively favourable. The GDP has increased in all countries, industrial production has grown in average by 10%, investment in fixed capital – by 15%. Rates of inflation decreased and national currencies were relatively stable (excluding Belarus). In Azerbaijan, Armenia, Belarus, Russia and Ukraine the nominal money income per capita has grown more than CPI. In Russia the growth rate of this income was higher than CPI by 7% (December 2000 to December 1999); the indebtedness on payments of wages and pensions was considerably reduced, the size of wage and pensions has been raised, as a result the rise of income affected the considerable part of households, not only those ones with high income.

However, the level of the living standards has remained very low. In the most of the countries the relative economic and financial stabilisation still has not have noticeable impact on the life of ordinary people. The gap between the rates and level of the economic development of different CIS countries continued to increase.

References

Commonwealth of Independent States in 1999. Statistical Yearbook. CIS Statistical Committee, Moscow, 2000

Commonwealth of Independent States in 2000. Statistical Abstract. CIS Statistical Committee, Moscow, 2001

Children in the CIS countries. Statistical Abstract. CIS Statistical Committee, Moscow, 2001

CIS Statistics. Statistical Bulletin, 2 (233). CIS Statistical Committee, Moscow, January 2000

Economy of the CIS countries in 2000 (express-review based on the data of the national statistical services). CIS Statistical Committee, Moscow, January 2001

Grinberg R. and others. "A kak tam, u sosedey?" Review based on the data of the CIS Statistical Committee. "Economika i zhizn", N 41 (8839), October 2000.

ANNEX

Table 1. Main economic indicators

	2000 as percentage of 1992					GDP per capita (US dollars) ¹	
	Gross Domestic Product	Industrial production	Agricultural production	Retail trade turnover	Investment in fixed capital	1992	2000
Azerbaijan	77	50	85	156,5	295	170	609
Armenia	132	108	111	165	...	88	503
Belarus	99,5	112	82	140	66	468	1036
Georgia	86	42	104	144	81	133	538 ²
Kazakhstan	82	68	53	97,5	55	385	1229
Kyrgyzstan	84	69	108	107	72	171	267
Moldova	60 ³	50	66	27	18	229	353
Russia	79	72	71	94	52	666	1705
Tajikistan	58	56	88	3	...	60	160
Turkmenistan	...	...	...	...	...	...	...
Uzbekistan	111	132	109	...	...	108	676 ²
Ukraine	52,5	65	66	43	38	504	620 ²

¹ Estimation of CIS Statistical Committee with the help of official exchange rates; per capita of resident population.

² 1999 year.

³ As percentage of 1993.

Note. Data for 2000 year are preliminary in all the tables.

Data for Moldova since 1993 exclude data for the territory of the left bank of the Dniester river and Bendery city.

Table 2. Population and its natural increase (decrease)

	Present population as of the beginning of 2001		Births 1999		Deaths 1999		Natural increase (decrease) 1999	
	1000	as % of the beginning of 1992	1000	as % of 1992	1000	as % of 1992	1000	as % of 1992
Azerbaijan	8080,9 ¹	110,3	117,5	64,8	46,3	90,3	71,2	54,8
Armenia	3803,7 ¹	104,2	36,5	51,7	24,1	93,3	12,4	27,7
Belarus	9989,9 ¹	97,6	93,0	72,7	142,0	121,7	-49,0	positive amount (11,2) changed to negative one
Georgia	5100,5 ^{1,2}	94,1 ²	40,8	56,1	40,4	86,3	0,4	1,6
Kazakhstan	14896,1 ^{1,2}	90,5 ²	211,8	62,6	145,9	105,9	65,9	32,8
Kyrgyzstan	4936,2	108,9	104,1	81,1	32,9	102,1	71,2	74,0
Moldova	3636,5	97,0	38,5	63,2	41,3	111,5	-2,8	positive amount (23,9) changed to negative one
Russia	145924,9 ²	98,1 ²	1214,7	76,5	2144,3	118,6	-929,6	decrease rose in 4,2 times
Tajikistan	6198,6	111,3	113,6 ³	63,3	25,4 ³	69,2	88,2 ³	61,8
Turkmenistan	5369,4	134,4	88,0	67,2	25,6	93,0	62,4	60,3
Uzbekistan	24916,4	117,5	544,8	76,7	130,5	93,2	414,3	72,6
Ukraine	49279,8	94,7	389,2	65,2	739,2	106,0	-350,0	decrease rose in 3,5 times

¹ Resident population.

² As of the beginning of 2000.

³ Preliminary data.

**Table 3. Migration of population
(excluding intra-state migration) in 1999**

	Number of immigrants		Number of emigrants		Number of emigrants outside the border of former USSR	
	persons per 1000	as % of 1992	persons per 1000	as % of 1992	persons per 1000	as % of 1992
Azerbaijan	0,6	13,5	1,2	14,4	0,1	16,6
Armenia	0,5	3,9 ¹	2,3	40,7 ¹	0,3	12,7
Belarus	3,1	23,1	1,3	19,1	1,0	98,5
Georgia ²	0,1	...	0,1	...	0,04	...
Kazakhstan	2,4	21,0	10,9	48,8	2,9	39,9
Kyrgyzstan	1,6	29,7	3,7	17,1	0,7	23,4
Moldova	2,9 ³	35,3 ³	5,9 ³	41,2 ³	1,0	57,5
Russia	2,6	33,4	1,5	26,4	0,7	105,0
Tajikistan	0,9 ⁴	46,1 ⁴	7,5 ⁴	41,7 ⁴	0,01	1,6
Turkmenistan	0,8	15,1	2,6	39,1	0,1	69,3
Uzbekistan	0,2 ³	5,4 ³	2,7 ³	33,4 ³	0,3 ²	50,5 ²
Ukraine	1,3	18,5 ¹	2,2	36,0 ¹	1,0	70,6 ¹

¹ As percentage of 1991.

² 1998.

³ 1996.

⁴ 1995.

Table 4. Age structure of population
(as of the end of the year; as percentage of total)

	1991			1999		
	Population in age of:			Population in age of:		
	0-14	15-64	65 and over	0-14	15-64	65 and over
Azerbaijan	33	62	5	32	63	5
Armenia	30	64	6	24	67	9
Belarus	23	66	11	19	68	13
Georgia	24	66	10	20	67	13
Kazakhstan	31	63	6	29 ¹	64 ¹	7 ¹
Kyrgyzstan	37	58	5	35	60	5
Moldova	28	64	8	24	67	9
Russia	23	66	11	18	69	13
Tajikistan	43	53	4	42 ²	54 ²	4 ²
Turkmenistan	41	55	4	38	58	4
Uzbekistan	41	55	4	38	58	4
Ukraine	21	66	13	18	68	14

¹ 1998.

² 1997.

Table 5. Employment

	As percentage of number of employed				Unemployment rate (as percentage of economically active population)		Number of unemployed persons per one vacancy	
	1992		1999		1992	2000	1992	2000
	employees	of which employed in public sector	employees	of which employed in public sector				
Azerbaijan	75,4	61,8 ¹	52,0	36,2 ¹	0,2	1,2	0,6	8,4
Armenia	70,2	58,9	53,8	27,4	3,4	10,9	36,2	274,4
Belarus	97,1	72,9	96,0	63,7	0,5	2,1	1,3	2,9
Georgia	79,3	69,4	...	...	5,6	...	...	94,9
Kazakhstan	94,7	71,9	54,9	22,9	0,4	3,7	0,8	24,8
Kyrgyzstan	82,9	62,6	42,2	22,5	0,1	3,1	0,4	28,0
Moldova	84,6	57,6	62,3	25,6	0,7	1,8	17,3	15,3
Russia	97,3	68,9	93,3	38,2	0,8	1,4	1,8	1,4
Tajikistan	79,0	56,6	65,2	37,4	0,4	2,6	8,7	5,5
Turkmenistan	81,5	52,2	...	...	-	-	-	-
Uzbekistan	82,5	59,5	74,7	29,4	0,1	0,4 ²	0,4	1,2 ²
Ukraine	94,9	75,7 ³	71,7	35,5 ³	0,3 ⁴	4,2	0,5	16,9

¹ Including enterprises with mixed type of ownership, social organizations.

² 1999.

³ Including social organizations.

⁴ As percentage of working population in working age.

Table 6. Indexes of nominal and real income of population

	Indexes of nominal money income		Indexes of average monthly nominal wage and salary per 1 employed person	Consumer price indexes	Indexes of real disposable money income	Indexes of average monthly real wage and salary per 1 employed person
	total	per capita				
	1999 as composed of 1992 (times)				1999 as percentage of 1992	
Azerbaijan	1055	900	682	1252	75	54,5
Armenia	3475	1431	2887	3976	31	73
Belarus	40736	45997	38599	41295	94	93,5
Georgia	...	...	3405	...	...	...
Kazakhstan	...	...	893	1823	...	49
Kyrgyzstan	77	62	91	117	40	78
Moldova	...	...	87	204	...	43
Russia	396	404	117 ¹	233 ¹	84	50 ¹
Tajikistan	...	...	570	4733	...	12
Turkmenistan	...	...	...	...	...	...
Uzbekistan	5458	...	2765	...	...	...
Ukraine	2610	...	1288 ¹	3185 ¹	38	40 ¹
	2000 as composed of 1992 (times)				2000 as percentage of 1992	
Azerbaijan	...	...	785	1275	...	62
Armenia	...	...	3274	3944	...	83
Belarus	...	...	115951	110920	...	104,5
Georgia	...	...	...	...	...	...
Kazakhstan	...	...	1063	2063	...	51,5
Kyrgyzstan	...	...	105	139	...	76
Moldova	...	...	116	267	...	43,5
Russia	...	...	166 ¹	280 ¹	...	59 ¹
Tajikistan	...	...	786	5869	...	13
Turkmenistan	...	...	...	...	...	...
Uzbekistan	...	...	...	...	...	...
Ukraine	...	...	1744 ¹	4006 ¹	...	43,5 ¹

¹ December to December.

Table 7. Gross disposable income of households by sources
(as percentage of total)

	Compensation of employees	of which:		Gross operating surplus and gross mixed income ¹	Net property income	Net current transfers	of which:	
		gross wage	social contributions				social benefits	others
1992								
Azerbaijan	71,4	...	...	29,6	0,0	-1,0	12,5	-13,5
Armenia	73,8	55,3	18,5	25,4	1,1	-0,3	...	...
Belarus	79,2	60,4	18,8	20,6	0,7	-0,5	16,5	-17,0
Georgia	27,7	...	...	64,8	8,9	-1,4	...	...
Kazakhstan	64,5	...	...	30,0	0,4	5,1	...	...
Kyrgyzstan	58,6	...	...	30,4	0,5	10,5	...	...
Moldova	95,5	...	...	18,1	0,3	-13,9	12,4	-26,3
Russia	91,5	...	...	17,5	1,0	-10,0	...	...
Tajikistan ²	119,6	98,6	21,0	3,8	-0,5	-22,9	...	...
Turkmenistan	...	...	...	...	...	...	...	...
Uzbekistan	86,6	...	...	20,8	0,4	-7,8	...	...
Ukraine	100,3	...	...	11,7	0,8	-12,8	21,0	-33,8
The latest year								
Azerbaijan (1998)	35,1	...	...	57,3	0,1	7,5	10,3	-2,8
Armenia (1998)	59,5	55,2	4,3	28,8	-0,4	12,1	8,0	4,1
Belarus (1999)	75,1	...	...	19,9	1,1	3,9	18,4	-14,5
Georgia (1995)	48,2	...	...	48,5	-0,1	3,4	...	...
Kazakhstan (1999)	49,3	...	...	40,7	1,0	9,0	12,4	-3,4
Kyrgyzstan (1999)	43,6	...	...	64,2	0,9	-8,7	9,4	-0,7
Moldova (1998)	72,3	...	...	33,7	1,4	-7,4	9,9	17,3
Russia (1998)	80,5	62,2	18,3	21,8	4,3	-6,6	17,9	-24,5
Tajikistan (1996)	94,6	68,6	26,0	32,9	0,4	-27,9	...	...
Turkmenistan	...	...	...	...	...	...	...	...
Uzbekistan (1996)	66,2	...	...	31,9	0,7	1,2	...	...
Ukraine (1998)	82,6	58,8	23,8	22,6	3,4	-8,6	20,4	-29,0

¹ Gross operating surplus originates from activities of owner occupiers of dwellings, while gross mixed income originates from other productive activities of households.

² 1993.

Table 8. Money income of households by sources
(from the data of sample surveys; as percentage of the total money income)

	Labor income	Social benefits	Earnings from sales of agricultural products	Other incomes and receipts
	1992			
Azerbaijan	64,7	9,1	9,6	16,6
Armenia	49,7	12,2	...	...
Belarus	65,0	17,0	3,0	15,0
Georgia ¹	55,6	13,1	9,4	21,9
Kazakhstan ²	79,4	6,9	4,9	8,8
Kyrgyzstan	55,8	8,0	12,0	24,2
Moldova	69,8	10,0	9,5	10,7
Russia	77,5	11,1	1,9	9,5
Tajikistan	64,7	10,8	10,8	13,7
Turkmenistan	70,9	11,9	4,2	13,0
Uzbekistan	66,8	14,2	7,6	11,4
Ukraine ³	64,9	12,4	4,3	18,4
	1999			
Azerbaijan	34,9	7,5	16,7	40,9
Armenia	39,7	10,6	11,8	37,9
Belarus	60,9	18,9	3,0	17,2
Georgia	44,6	6,1	21,2	28,1
Kazakhstan	72,6	10,2	4,3	12,9
Kyrgyzstan	49,8	10,1	18,8	21,3
Moldova	62,4	15,1	5,7	16,8
Russia ⁴	75,7	14,2	2,8	7,3
Tajikistan ⁵	31,5	2,9	23,9	41,7
Turkmenistan ⁶	72,7	8,0	...	...
Uzbekistan ⁷	59,4	13,5	11,3	15,8
Ukraine	57,7	25,5	6,0	10,8

¹ 3 quarters of 1991.

² Fourth quarter.

³ 1991.

⁴ 1996.

⁵ First half of the year.

⁶ 1997.

⁷ 1995.

Table 9. Level of income of population

(US dollars; estimated by the CIS Statistical Committee with the help of official exchange rates)

	Average nominal money income per capita		Average monthly nominal wage and salary per 1 employed person		Average monthly pension	
	1994	1999	1994	2000	1995	1999
Azerbaijan	38,3	490,8	13,1	45,9	3,9	14,9
Armenia	60,9	308,3	6,1	38,9	6,4	8,5
Belarus	118,1	674,1	21,1	74,3	33,7	38,3
Georgia	...	...	5,6	33,4 ¹	5,0	8,2
Kazakhstan	138,8	...	47,9	94,3	29,3	28,3
Kyrgyzstan	160,9	151,9	21,5	25,4	17,5	8,5
Moldova	172,4	...	26,7	32,7	14,2	7,1
Russia	694,5	782,4	100,0	80,7	52,3	19,3
Tajikistan	16,9	97,7	15,8	8,7	2,3	2,5
Turkmenistan	...	...	54,1	...	19,8	...
Uzbekistan	...	500,1	26,6	57,2 ¹	22,0	...
Ukraine	96,7	301,4	45,0	42,3	21,6	13,2

¹ 1999.

Table 10. Differentiation of population by income level

	Distribution of income by 20-per cent groups of population (as percentage of the total)					Income concentration ratio (Gini coefficient)	Income funds ratio ¹
	1 group (with the lowest income)	2 group	3 group	4 group	5 group (with the highest income)		
	The earliest year						
Azerbaijan	...	...	...	...	...	...	...
Armenia	...	...	...	...	...	...	...
Belarus (1995)	6,6	12,1	17,0	23,6	40,6	0,261	5,5
Georgia	...	...	...	...	...	...	...
Kazakhstan (1997)	6,5	10,8	16,4	24,5	41,8	0,338	...
Kyrgyzstan (1996)	7,6	11,0	16,0	23,8	41,6	0,375	5,5
Moldova (1997)	4,3	9,8	14,7	22,5	48,7	...	14,0
Russia (1992)	6,0	11,6	17,6	26,5	38,3	0,289	8,0
Tajikistan	...	...	...	...	...	...	...
Turkmenistan	...	...	...	...	...	...	...
Uzbekistan	...	...	...	...	...	...	...
Ukraine	...	...	...	...	...	...	...
	1999						
Azerbaijan	...	...	...	...	...	...	...
Armenia	...	...	...	...	...	...	...
Belarus	6,1	11,8	17,1	24,4	40,5	0,2695	6,3
Georgia	...	...	...	...	...	...	...
Kazakhstan	6,1 ²	10,4 ²	16,4 ²	25,0 ²	42,1 ²	0,340	11,0
Kyrgyzstan	4,8	9,4	14,3	22,0	49,5	0,434	10,3
Moldova	4,5	9,8	14,7	22,0	49,0	...	...
Russia	6,2	10,6	14,9	21,0	47,3	0,394	13,9
Tajikistan	...	...	...	...	...	...	...
Turkmenistan ²	4,0	8,0	14,0	18,0	56,0	0,333	5,0
Uzbekistan	...	...	...	...	...	...	...
Ukraine	6,6	11,9	16,5	23,1	41,9	0,340	5,2

¹ Ratio between income of the poorest 10% group of population and the richest 10 % one; for Ukraine – ratio of money expenditures; for Belarus – ratio of disposable resources; for Moldova – ratio of consumer expenditures.

² 1998.

Table 11. Level of poverty

	Minimum of subsistence (monthly average per capita; US dollars) ¹		Share of population with income below the minimum of subsistence (per cent)	
	1995	1999	1995	1999
Azerbaijan	58,4	24,7	...	...
Armenia	...	...	...	...
Belarus	36,8	42,5	39,9	46,7
Georgia	...	50,3	...	...
Kazakhstan	26,9	28,4	43,0 ²	34,5
Kyrgyzstan	30,9	28,1	57,0	55,3
Moldova	69,0	63,9	...	...
Russia	58,0	36,9	24,7	29,9
Tajikistan	65,9	30,6 ³	...	...
Turkmenistan	...	...	...	...
Uzbekistan	...	...	...	...
Ukraine	37,4 ⁴	23,7	28,5 ⁴	28,5 ³

¹ Also known as minimal consumer basket; estimation of CIS Statistical Committee with the help of official exchange rates.

² 1997.

³ 1998.

⁴ 1996.

Table 12. Use of the gross disposable income of households
(as percentage of the total)

	1992		1999	
	Final consumption expenditure	Gross saving	Final consumption expenditure	Gross saving
Azerbaijan	114,8	-14,8	141,4 ¹	-41,4 ¹
Armenia	179,4	-79,4	143,8 ¹	-43,8 ¹
Belarus	93,0	7,0	96,9	3,1
Georgia	96,2	3,8	98,8 ²	1,2 ²
Kazakhstan	95,5	4,5	100,1	0,1 ³
Kyrgyzstan	101,8	-1,8	103,9	-3,9
Moldova	72,9	27,1	115,3 ¹	-15,3 ¹
Russia	81,3	18,7	93,7 ¹	6,3 ¹
Tajikistan	161,0 ⁴	-61,0 ⁴	289,6 ⁵	-189,6 ⁵
Turkmenistan	...	...	...	...
Uzbekistan	58,9	41,1	98,0	2,0
Ukraine	82,4	17,6	97,7 ¹	2,3 ¹

¹ 1998.

² 1995.

³ Including adjustment for the change in the net equity of households in pension funds amounted to -0,2 %.

⁴ 1994.

⁵ 1996.

Table 13. Consumer expenditures of households
(from the data of sample surveys; as percentage of the total)

	Purchases of consumer goods and services:			
	foodstuffs	non-food goods	alcoholic beverages	service
	1992			
Azerbaijan	63,6	30,2	1,0	5,2
Armenia	72,9	19,5	2,8	4,8
Belarus	72,9	48,1	5,4	7,6
Georgia ¹	55,5	35,2	1,1	8,2
Kazakhstan ²	49,7	38,0	5,4	6,9
Kyrgyzstan	52,8	35,9	3,4	7,9
Moldova	43,5	45,8	2,2	8,5
Russia	47,1	41,2	4,0	7,7
Tajikistan	58,5	30,9	2,0	8,6
Turkmenistan	43,4	49,1	3,2	4,3
Uzbekistan	54,0	36,7	3,2	6,1
Ukraine ³	41,6	46,5	2,8	9,1
	1999			
Azerbaijan	72,2	17,5	1,1	9,2
Armenia	61,9	14,2	1,4	22,5
Belarus	59,4	29,7	3,2	7,7
Georgia	54,2	24,0	0,8	21,0
Kazakhstan	48,3	24,7	1,9	25,1
Kyrgyzstan	55,8	28,3	1,6	14,3
Moldova	46,8	...	3,0 ⁴	...
Russia	53,7	30,8	2,5	13,0
Tajikistan ⁵	76,5	16,4	0,3	6,8
Turkmenistan ⁶	60,6	28,9	2,6	7,9
Uzbekistan ⁷	69,3	19,6	1,9	9,2
Ukraine	60,2	19,3	2,1	18,4

¹ 3 quarters of 1991.

² Fourth quarter.

³ 1991.

⁴ Including tobacco.

⁵ First half of the year.

⁶ 1997.

⁷ 1995.

Table 14. Consumption of main food products

(per capita; kilograms)

	Bakery products	Potatoes	Vegetables and melons	Meat and meat products	Milk and dairy products	Eggs (pcs.)
	1992					
Azerbaijan	150	26	53	20	204	103
Armenia	114	64	132	20	122	65
Belarus	119	169	76	72	396	305
Georgia	147	50	54	21	87	55
Kazakhstan	156	92	63	63	275	179
Kyrgyzstan	135	68	75	46	206	128
Moldova	170	67	95	46	198	166
Russia	125	118	77	60	281	263
Tajikistan	158	32	101	18	127	34
Turkmenistan	170	23	92	38	185	75
Uzbekistan	164	27	124	27	175	80
Ukraine	143	133	89	53	285	227
	1999					
Azerbaijan	150	38	109	19	147	77
Armenia	...	...	...	...	...	...
Belarus	115	170	89	62	334	237
Georgia	...	...	...	...	...	...
Kazakhstan	101	60	76	44	211	90
Kyrgyzstan	130	98	118	40	200	45
Moldova	...	...	...	...	...	...
Russia	119	117	83	45	215	222
Tajikistan	...	...	...	...	...	...
Turkmenistan	...	...	...	...	...	...
Uzbekistan	...	...	...	...	...	...
Ukraine	122	122	96	33	210	163

Table 15. Stocks of households consumer durables

(as of the end of the year; per 100 households)

	TV sets	Tape recorders	Refrigerators and freezers	Washing machines	Vacuum cleaners	Passenger cars
	1992					
Azerbaijan	95	39	79	50	33	17
Armenia	93	49	80	96	51	35
Belarus	109	61	80	69	51	22
Georgia	...	...	...	...	...	...
Kazakhstan	110	57	82	101	44	22
Kyrgyzstan	86	56	60	87	35	19
Moldova	84	41	73	77	41	12
Russia ¹	113	60	104	91	66	23
Tajikistan	80	43	67	59	22	20
Turkmenistan	102	70	106	82	34	29
Uzbekistan	79	47	73	63	28	22
Ukraine	109	60	76	68	47	23
	1999					
Azerbaijan	95	41	88	54	35	17
Armenia	...	...	...	...	...	...
Belarus	100	42	82	69	37	39
Georgia ²	85	32	81	58	22	...
Kazakhstan	65	36	52	69	29	25
Kyrgyzstan	48	37	37	63	23	17
Moldova	39	19	41	54	19	20
Russia	124	67	113	97	81	39
Tajikistan	74	55	66	17	68	14
Turkmenistan ³	113	...	108	69	...	...
Uzbekistan	34	17	39	34	14	...
Ukraine	42	26	46	42	25	32

¹ 1991.² 1998.³ 1997.

**Table 16. Expenses on social and cultural purposes
from the state budget**

	Per capita (US dollars) ¹		As percentage of			
			total expenses of the state budget		GDP	
	1992	1999	1992	1999	1992	1999
Azerbaijan	17,4	32,5	36	33	10	6
Armenia	11,4	17,7	36	16	13	4
Belarus	48,7	142,8	31	35	10	14
Georgia	...	26,8 ²	...	19 ²	...	4,2 ²
Kazakhstan	27,9	75,4	34	29	7	7
Kyrgyzstan	20,0	24,5	37	50	12	10
Moldova	29,4	38,1	46	42	13	12
Russia	48,5	102,1	23	29	7	8
Tajikistan	12,5	6,2	36	20	21	3
Turkmenistan	...	...	...	...	...	...
Uzbekistan	17,4	...	37	...	16	...
Ukraine	...	65,8	...	39	...	11

¹ Estimated by the CIS Statistical Committee with the help of official exchange rates.

² 1998.

**Table 17. Ratio of actual final
consumption of households to final
consumption expenditure of households**

(per cent)

	1992	1999
Azerbaijan	116,7	109,3
Armenia	113,0	104,2
Belarus	122,3	125,3
Georgia	118,6	108,0
Kazakhstan	115,3	109,6
Kyrgyzstan	122,5	115,3
Moldova	126,7	124,8 ¹
Russia	126,9	119,2
Tajikistan	139,6	107,8
Turkmenistan	...	...
Uzbekistan	138,2	119,3 ²
Ukraine	134,1	124,1

¹ 1998.

² 1997.