

## **Resource potential and economic growth: comparative analysis of former USSR countries**

I. Zabelina, E. Trynkina

One of the main issues on the path to sustainable development of Russia is so called «resource curse». This phenomenon reveals in the fact that many of the resource-rich countries often have worse economic performance, than resource-poor (low-rent) countries. Results of many scientific researches show that «resource curse» is feature, characterizing many of oil-exporters and gas-exporters countries.

This paper focuses on how countries of former USSR have been developing since 1991 year. We analyzed dynamics of main economic development indicators (GDP and GNI per capita in \$) and indicators of economic growth quality (CO<sub>2</sub> emissions per unit of GDP in kg/PPP \$ of GDP and GDP per unit of energy use in PPP \$/kg oil equivalent) from 1998 to 2005. We use data of the World Bank.

The estimate of GDP growth shows that Turkmenistan (305%), Armenia (215%) and Russia (176%) are leaders of economic growth during 1998 – 2005. It should be noted that Armenia in contrast to other leaders is resource-poor country. However, growth of GDP in country not always agrees with growth of GNI per capita. Armenia (220%), Lithuania (180%), Latvia (179,7%) and Estonia (169%) are characterized by the highest growth of GNI per capita. All these countries are not resource-rich. Russia (97%) takes 8<sup>th</sup> place in this rating and yield to Azerbaijan (158%), Moldova (145%) and Kazakhstan (119%). Kyrgyz Republic, Tajikistan and Uzbekistan take the latest places in this rating according to growth both macroeconomic indicators in spite of the fact that Tajikistan and Uzbekistan are relatively resource-rich countries (they have reserves of crude oil, natural gas, coal and gold).

Growth of GDP per unit of energy use (PPP \$/kg oil equivalent) leads to more effective country's economy. Stable growth of this indicator was registered in Azerbaijan, Latvia, Lithuania, Tajikistan, Ukraine and Estonia. It is worth to note that Armenia and Latvia use energy more efficiently than other countries. This indicator for these countries is 5,6 PPP\$/kg oil equivalent (data of 2005 year). Russia takes 10<sup>th</sup> place among other countries (2,0 \$ PPP\$/kg oil equivalent). Reducing of CO<sub>2</sub> emissions per unit of GDP (kg/ PPP \$ of GDP) is observed in Armenia, Lithuania, Latvia, Ukraine, Estonia, Tajikistan and Turkmenistan. Georgia and Azerbaijan have the smallest emissions of CO<sub>2</sub> in 2005 (0,3 kg/ PPP \$ of GDP) and at the same time Uzbekistan have the highest emissions (3,0 kg/ PPP \$ of GDP). Dynamic of this indicator for Russia is not stable and it changes from 1,2 to 1,6 kg/ PPP \$ of GDP during 1998-2005.

The conclusion of our comparative analysis is that Baltic States and Armenia have more successful economic development which is not based on use and export natural resources. Growth in Russia and other resource-rich countries (Georgia, Turkmenistan, Uzbekistan and Kazakhstan) was not so rapid and characterized by more significant environmental pressure.