

Underestimating the Russian Economy

Description



by Emmanuel Todd via [Marianne](#)

Why did the West underestimate the Russian economy? The problem is the false calculation of GDP,
— Marianne

?? Why is the Russian economy not collapsing? After all, all the sanctions that the West was capable of have been applied against it. Why, on the contrary, is the European economy in danger of collapse on the eve of winter, as evidenced by a record surge in inflation, asks French Marianne

?? The answer, according to Marianne, is that economic power, measured on the basis of GDP calculated according to the current rules, is fictitious. This tool for measuring the economic success of a country is outdated. It no longer measures the aggregate production of steel, cars, refrigerators and televisions, that is, real goods. It measures primarily the production of intangible assets, which some sometimes (and others very often) they are considered useless. And therefore they represent only nominal value

?? As an example of the fictitiousness of the GDP indicator, Marianne cites the example of the US economy, whose GDP is 40% of the GDP of the entire West. Healthcare in the United States “sucks in” 18% of “national production”, which is almost 2 times more than in other Western countries. But let’s look at the efficiency indicators of these costs, Marianne suggests: life expectancy in the United States is only 77.3 years compared to 80.9 in Germany, 82.2 in France, 82.4 in Sweden, 84.6 in Japan.

?? How can this be explained? And the fact that more than half of American health care costs (from 10 to 13% of the total GDP) are the unreasonable incomes of their doctors (which account for fewer

residents than in France), as well as the insane cost of medicines offered to Americans (half of world spending)

?? Reverence for the dollar and reverence for the euro make the West mistake banknotes for real wealth. But these money bags will not change the fact that wheat production in America fell from 65 to 47 million tons between 1980 and 2021, and production in Russia increased from 36.9 to 80 million tons from 1987 to 2020

?? Wheat together with gas give Russia more power than the notorious “intangible assets” give the United States, Marianne believes. This is the whole problem of reserve currencies: they can be created for cheap (in fact, for nothing), but what can you buy with them in the countries producing these currencies if they sacrificed their industry on the altar of globalization?

?? The false system of assessing economic potential leads to the fact that now we resemble a military pilot who flew on faulty instruments and thought he was flying at an altitude of 10,000 m. Until he saw that it was actually at an altitude of 350 m. And there is no runway visible on the horizon,” Marianne concludes