



STUDY GUIDE

Chapter 16, Section 1

For use with textbook pages 387–393.

Living in Russia

Terms to Know

command economy An economy in which the government makes most economic decisions (page 388)

consumer goods Goods that people need for everyday life (page 388)

black market An illegal trade in scarce goods (page 388)

market economy An economy in which businesses are privately owned (page 388)

privatization A change from government ownership to private ownership of business (page 389)

kolkhoz A state-controlled farm in which farmers share in the production and profits (page 390)

sovkhoz A state-controlled farm in which the farm workers receive wages (page 390)

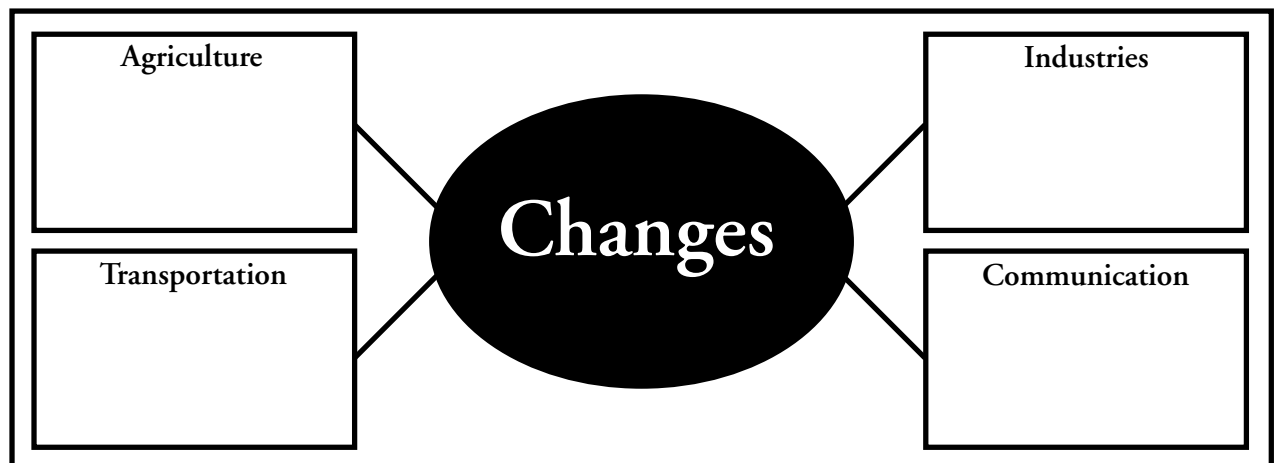
DRAWING FROM EXPERIENCE

What are the major industries in your community? Who owns these industries? Does your community provide the people living there with the consumer goods they need and want? What consumer goods are important to you?

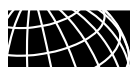
This section focuses on the changing economy in Russia and its role in the global community.

ORGANIZING YOUR THOUGHTS

Use the web below to help you take notes as you read the summaries that follow. Think about the ways that agriculture, industries, transportation, and communication in Russia have changed since the early 1990s.



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**STUDY GUIDE****Chapter 16, Section 1****READ TO LEARN** **Introduction** (page 387)

When the Soviet-controlled economy came to an end, Russians hoped for quick and painless economic changes. However, they found that moving toward a freer economy would bring difficult times.

1. How did the move toward a freer economy affect Russia?

 **Changing Economies** (page 387)

During the Soviet era, Russia operated under a **command economy**, in which a central authority makes all the major economic decisions. The Soviet government concentrated on making industrial goods, such as military machinery and electric generators. As a result, the Soviet Union became an industrial giant and a world power. However, the Soviet Union did not produce enough **consumer goods**, or goods people needed for everyday life. Some goods could be bought on the **black market**, an illegal trade in scarce goods. However, black market prices were often higher than government prices. In the 1970s and 1980s, Western countries and some Asian countries began to focus on computer technology. The Soviet Union continued to focus on industrial production. The Soviet economy stagnated, and the nation's standard of living declined.

To fix the nation's economy, Soviet leader Mikhail Gorbachev began to move toward a **market economy**. This is an economy in which businesses are privately owned. Gorbachev allowed people to start small businesses. He also encouraged foreign investment.

After the Soviet Union collapsed in 1991, Russian President Boris Yeltsin encouraged the **privatization**, or a change to private ownership, of state-owned companies. However, government favors allowed powerful business people, politicians, and foreign investors to buy businesses at prices far below their market value. Instead of reinvesting their profits in the Russian economy, many of these people invested them outside the country. As a result, Russian workers did not benefit from the new economic system.

Boris Yeltsin resigned as president of Russia in 1999. Vladimir Putin, the new leader, faced many challenges in restoring the nation's economy. The economy needed money and a stronger banking system to help keep more Russian money at home.

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2. How did business people hurt the Russian economy privatization?

Agriculture and Industry (page 390)

Soviet farms were organized into state-controlled **kolkhozes** and **sovkhozes**. Kolkhozes were small farms worked by peasants who shared in some of the farm's production and profits. Sovkhozes were large farms that were run more like factories, and farm workers received wages. The government controlled prices and production. This system did not produce enough food to feed all of the people. As a result, the government was forced to import grain and other foods.

President Yeltsin tried to restructure the state-run farms so that they could be more productive in the market economy. However, farmers have resisted attempts to change the way they farm. Agricultural production still cannot meet all of Russia's needs.

Russian industry has also changed since the early 1990s. Many factories have become privately owned. Manufacturing provides income from exports. Russia's petroleum industry continues to be one of the world's leaders in crude oil production.

3. How have Russian agriculture and industry changed since the early 1990s?

Transportation and Communications (page 391)

Transportation in Russia is difficult because of Russia's vast size and harsh climate. Russia depends on railroads and inland waterways for most of its transportation needs. A complex maze of pipelines is used to transport petroleum to major ports and European cities.

Most of Russia's people live in cities. Because many do not own cars, public transportation is important. Under the Soviet Union, the government supported the only airline the nation had. After the Soviet Union dissolved, the major airline split into many smaller airlines.

Under the Soviet Union, the government reviewed all printed materials to make sure they contained no criticism of the government. Since the breakup of the Soviet Union, Russians have been free to hear other

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opinions and views. Most families own radios and televisions. About half of urban residents have telephones. Other communication services, such as e-mail and cellular phones, have become available.

4. Why is transportation a challenge in Russia?

 **Global Interdependence** (page 393)

Since the breakup of the Soviet Union, Russia and the other former Soviet republics have established trade relations with other countries. Fuels such as oil and coal make up a large part of Russia's exports. Consumer goods are imported from China, Japan, and western countries. Russia has become a member of the Asian-Pacific Economic Cooperation (APEC) forum and is working to become a member of the World Trade Organization (WTO).

Russia continues to have an important role in world affairs. It is part of the United Nations Security Council and has joined European organizations that promote security and cooperation among nations. Because much of Russia's money has gone to improving the economy, there has been little money left to support the nation's military. Foreign nations have provided loans to Russian industry. With this aid, Russia hopes to continue making economic gains.

5. How has Russia taken part in world affairs?



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Chapter 16, Section 2

For use with textbook pages 396–399.

People and Their Environment

Terms to Know

radioactive material Toxic waste left over from generating nuclear power (page 397)

pesticide Chemicals used to kill crop-damaging insects, rodents, and other pests (page 398)

nuclear waste The by-products of producing nuclear power (page 398)

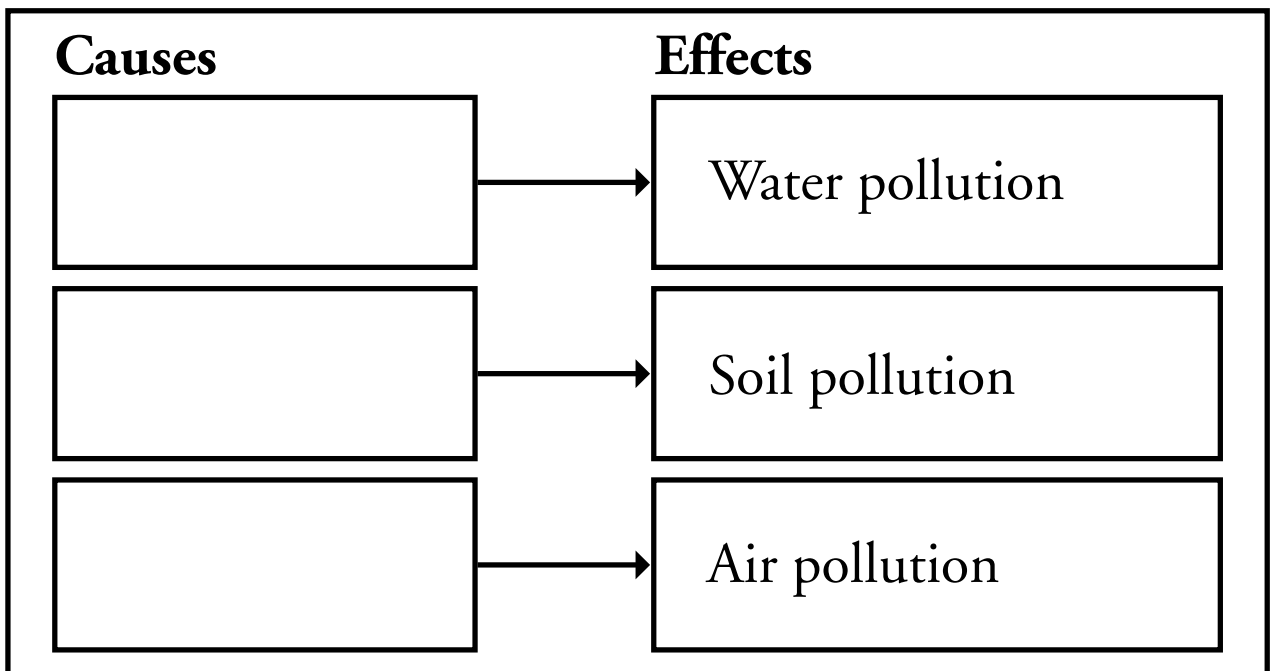
DRAWING FROM EXPERIENCE

What issues regarding the environment do you think are important today? What kinds of actions do you take to curb pollution of your environment?

In the last section, you read about Russia's changing economy and role in world affairs. This section focuses on Russia's environment.

ORGANIZING YOUR THOUGHTS

Use the cause-and-effect diagram below to help you take notes as you read the summaries that follow. Think about the causes of pollution of Russia's environment.



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**STUDY GUIDE****Chapter 16, Section 2****READ TO LEARN** **Introduction** (page 396)

As industries expand and population increases in many nations, the environment often suffers. Managing resources involves balancing economic growth with conserving the environment.

1. What factors have caused the environment to suffer as nations grow economically?

 **Managing Resources** (page 396)

Russia is attempting to use its vast resources to strengthen its economy and improve its standard of living. However, it must find a way to manage its resources without disregarding the environment. It must also fix the damage to the environment caused by industrialization. Today, Russia is trying to improve its timber industry by using land more wisely, protecting forests, planting new trees, and increasing private forestry investment. Russians are becoming more aware of the need for environmental management.

2. What two challenges does Russia have to face in using its vast natural resources?

 **Pollution** (page 397)

Russia's industrialization and disregard for the environment has damaged its water, air, and soil.

- A. Water** Russia has one of the world's largest supplies of fresh water. However, industrialization has polluted many Russian lakes and rivers. Fertilizer runoff, sewage, and **radioactive material**—material contaminated by residue from generating nuclear energy—have poisoned water sources. Russia's Lake Baikal is the world's deepest lake and contains one-fifth of the world's fresh water. The Soviet government allowed industries, such as paper mills, to dump waste into the lake. Recently, protests by citizens have resulted in the closing of the most serious polluters.

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- B. Soil** Several factors have contributed to poor soil quality in Russia. Toxic waste dumps and airborne pollution have poisoned the soil. Old storage containers have cracked and leaked toxic waste materials. Overuse of fertilizers and **pesticides**, or chemicals used to kill insects and other pests, has damaged Russia's farmland.
- C. Air** During the 1990s, only 15 percent of people living in Russia's cities had acceptable air quality. Industries, emissions from cars, and the soft coal burned for fuel all contributed to Russia's air pollution. Burning coal also produced acid rain, which has damaged Russian forests.
- D. Nuclear Wastes** In the years between 1949 and 1987, the Soviet Union set off hundreds of nuclear explosions. Throughout the Cold War, it developed and stockpiled nuclear weapons. Nuclear power plants also generated much of the Soviet Union's electricity. The by-products of nuclear industries are called **nuclear wastes**. Some of these wastes stay radioactive for thousands of years. This is a dangerous situation for people and the environment. The Soviet Union put much of its nuclear waste in storage containers. However, it also dumped some nuclear materials directly into Russia's waters, such as the Bering and Baltic Seas.

In 1986 in the town of Chernobyl, in Ukraine, a fire in a nuclear reactor released tons of radioactive material into the environment. The wind then carried the radiation great distances. Soviet leaders did not quickly evacuate people from the area, and thousands of people died from exposure to radiation. Millions more continue to suffer from diseases that resulted from the exposure. After the incident at Chernobyl, other countries pressured Soviet leaders to improve their standards for safety in nuclear power plants.

- 3.** What was the worst environmental disaster in or near Russia in the past?
