

# Obama Misrepresents the Russian Economy

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Region: [Russia and FSU](#)

Theme: [Global Economy](#)

*A report posted October 15th at Russia Insider (a Russian website), headlined [“Russian Industry Expands Rapidly In September, Hammers Expectations: Fastest growth since 2012. Manufacturing up 3.6%. Food production shows double digit growth.”](#) This contradicts many reports in U.S. media, which take unquestioningly the Obama Administration’s assertions that the Russian economy is doing poorly as a result of Obama’s sanctions against Russia. Russia has responded to those sanctions by simply increasing its trading with other nations, which aren’t within the U.S. orbit (and also increasing its trading internally, within Russia itself). For example, Russian President Putin counter-sanctioned against Europe, whose farmers have thus lost a market that’s now being met by Russia’s farmers, and by farmers in other, non-U.S.-controlled, nations. Russia’s Foreign Minister [explained](#) that, “Russia never intended to play the sanctions game, however the imposed bans against Russian companies and individuals forced Moscow to apply retaliatory measures,” so that America and the countries within its orbit won’t benefit. Instead, Europe is taking the hit from Obama’s sanctions. Europe has been corrupt enough to go along with — instead of to condemn and reject — those sanctions, and is paying a price for that.*

On May 21st, the *Wall Street Journal* bannered, [“China and Russia Sign Natural Gas Deal: Gazprom CEO Says Agreement Worth \\$400 Billion Over 30 Years.”](#) Then, on October 13th, that newspaper’s blog headlined, [“Russia Seals Deal With China on Currency Swap,”](#) and reported that, “The central banks of the two countries have announced today a 150 billion yuan (\$24 billion) currency-swap agreement which would promote the international use of the Chinese renminbi, while making Moscow less dependent on the dollar.”

Russia’s leader Vladimir Putin is, thus far, successful in his effort to use the reductions of trade with America’s allies as an opportunity to boost trade with America’s *non*-allies, such as the BRICS countries, Brazil, Russia (their own internal market), India, China, and South Africa. (China is already a larger market than the U.S.; some of the others might also come to be so.) On July 9th, Russia’s RIA Novosti news agency bannered [“BRICS to Create New Development Bank in Brazil,”](#) and reported that those countries agreed to devote \$100 billion in start-up capital to create a competitor to the Washington-controlled IMF, and to the U.S. dollar as the international reserve currency. Already, a more extensive article had appeared in France’s *Humanite*, bannered on July 5th, [“POUTINE DANS L’ANCIEN PRÉ CARRÉ YANKEE”](#) (“PUTIN IN THE FORMER BACKYARD [of the] YANKEE”), and they reported also that Putin would be visiting several Latin American cities that month, to drum up even more trade with America’s non-allies.

On October 15th, the Voice of America headlined, [“Experts Divided Over Whether Sanctions Against Russia Are Working,”](#) and then said that the reason there’s doubt about this is not that the economic sanctions are failing (which they largely are), but instead that the sanctions are “mostly intended to change behavior [of Putin], to deter bad behavior [such as

Putin's 'seizure' of Crimea, which was [actually no seizure at all](#)]. And in that sense, ... probably it hasn't worked." This 'news' report, from America, said that the sanctions have worked against the Russian economy (when there actually hasn't yet been enough time to evaluate what the net effects of the sanctions will turn out to be on Russia): "The Russian economy is likely to be stagnant this year and probably will gradually decline in the next few years."

The U.S. Administration refers to the Russian economy under Putin's rule as a failure. On August 2nd, President Obama said to Britain's *Economist*, "*Russia doesn't make anything. Immigrants aren't rushing to Moscow in search of opportunity. The life expectancy of the Russian male is around 60 years old. The population is shrinking.*" All of that is blatantly false.

Regarding "Russia doesn't make anything": an August 2013 World Bank study, "[Drivers of Firm-Level Productivity in Russia's Manufacturing Sector](#)," reported:

"Russia experienced a well-documented productivity surge over the period 1999-2005, following the 1998 crisis. This contributed to a dynamic growth and poverty reduction. Estimated annual total factor productivity (TFP) growth of 5.8 percent was the driving force behind the observed average annual real GDP growth of 6.5 percent over this period (Alam et al. 2008). Part of the productivity surge is explained by better utilization of excess capacity, especially in the manufacturing sector, a key driver of Russia's growth, but also within-firm factors and inter-sectoral allocation of labor. Productivity in manufacturing itself--an important engine of Russia's growth--grew at a healthy rate of over 4 percent in this period."

Putin had entered office in 2000, and so that analysis actually covered Putin's entire record thus far; and, as [I have documented in another article](#), the Russian economy has vastly outperformed the U.S. economy since Putin entered office, and Russia's has been the only major economy whose growth has rivaled China's. The growth in Russia's manufacturing sector is simply a part of Russia's broader stellar economic performance, thus far during Putin's leadership of Russia.

Regarding Obama's "Immigrants aren't rushing to Moscow in search of opportunity": [Mark Adomanis in Forbes](#) responded to this by asserting that Russia is, in fact, "the world's second most popular destination for immigrants after the United States." But both men were wrong here: According to the latest [CIA World Factbook](#), both countries, America and Russia, are mediocre in this regard. The "Net Migration Rate" is 1.69 per thousand population entering Russia, and 2.45 in the U.S. By contrast, it's 83.82 in Lebanon, 27.35 in Qatar, 21.78 in Zimbabwe, 17.69 in British Virgin Islands, 17.22 in Jordan, 16.01 in Libya, 14.71 in Cayman Islands, 14.55 in Singapore, 13.6 in Bahrain, and 13.58 in UAE — just to mention the top ten. The highest immigration-rates in Europe are 8.31 in San Marino, 7.97 in Luxembourg, 7.96 in Norway, and 7.24 in Spain. The highest in the Americas is 5.66 in Canada. The five highest *emigration*-rates are: -113.51 in Syria, -21.64 in American Samoa, -20.93 in Micronesia, -17.85 in Tonga, and -14.12 in Nauru.

Regarding Obama's "The life expectancy of the Russian male is around 60 years old": Adomanis noted that male life-expectancy was actually 65.14 years in 2013. That's correct. However, Adomanis didn't note (as I did in my article) that this is up from just 59 years when Putin first came into power in 2000. The only time when male longevity had been as

high as it was in 2013 was in 1986, shortly before Gorbachev became the leader of the Soviet Union and he called Harvard's economics department in to remake the Russian economy (disastrously, [as my article explained](#)); Putin simply threw out the Harvardians, and their oligarchs, but the man who led Harvard's effort, Harvard's Lawrence Summers, subsequently went on to lead U.S. President Obama's economic team, and his economy for America's 1%. According to the latest [CIA World Factbook](#), overall life-expectancy in the U.S. is 79.56 years, and in Russia it's 70.16 years. But back in 2000 when Putin entered power, it was just [65.3 years](#). So: Putin's leadership has given the Russians an additional five years of life. The ways he has done this are described in my article, earlier referred-to, and also (in terms strictly of Putin's economic policy) [described by Jon Hellevig here](#) (see especially his pages 21-23).

Regarding Obama's "The population is shrinking": Russia's population [has actually been growing since 2007](#). It had soared nearly 50% between 1950 and Gorbachev's entry into office in 1990, then headed steadily downhill till 2007, when it finally turned around and has been again on a growth-trend. The declines in the growth-rates of Russia's population [started when Gorbachev came into power in 1990, went into absolute negative territory starting in 1995, reached their very nadir in 2001, and then in 2003 headed back upward toward positive growth-rates once again, starting in 2003, and finally actually reached positive territory in 2008, eight years into Putin's reign](#).

One can't know in advance whether Putin's phenomenal economic record will continue even after Obama's recent efforts to harm Russia, but on September 1st, the Wall Street Journal's website bannered, ["Russia's Manufacturing Sector Grows Despite Western Sanctions Over Ukraine,"](#) and reported: "Russian manufacturing showed a second consecutive month of growth in August, propped up by new orders, suggesting that Western sanctions haven't yet impacted the sector." So: Obama's false statements about Russia's past could turn out to be accompanied by his false assertions about its future. In any case, his track-record as an economic predictor thus far is poor.

President Obama seems to be competing hard with his immediate predecessor, George W. Bush. Like Bush, too, he's not just an American nationalist, but an American aggressive imperialist.

Obama's [speech at West Point, on 28 May 2014](#) ([less than a month](#) after he had started Ukraine's [anti-Russian ethnic cleansing](#)) made clear his [American supremacism](#) — and even his rationalization for it — by addressing the graduating cadets as follows: "Here's my bottom line: America must always lead on the world stage. If we don't, no one else will." Obama alleged: "Russia's aggression toward former Soviet states unnerves capitals in Europe, while China's economic rise and military reach worries its neighbors. From Brazil to India, rising middle classes compete with us." Our [nazi](#) President said — yes, this [nazi](#) in America's White House said: "In Ukraine, Russia's recent actions recall the days when Soviet tanks rolled into Eastern Europe. But this isn't the Cold War [he said this after signaling his listeners that it really is but that he's a 'liberal' and so he doesn't assert such hate-mongering things explicitly, but the cadets naturally can come to the conclusion themselves; it's what they're being paid to do, and Obama's a gifted deceiver leading them in doing that]. Our ability to shape world opinion helped isolate Russia right away. Because of American leadership, the world immediately condemned Russian actions; Europe and the G7 joined us to impose sanctions; NATO reinforced our commitment to Eastern European allies; the IMF is helping to stabilize Ukraine's economy [and, get that — he had actually [already destroyed it](#), and [here is an even more-recent report](#) on

that]; OSCE monitors brought the eyes of the world to unstable parts of Ukraine.” (He said all this after having spent [over five billion dollars of U.S. taxpayer funds to destabilize Ukraine and bring about the civil war there.](#))

George W. Bush had his Iraq (and his 2008 crash), and Barack Obama has his Ukraine (and [so much more](#)).

Both were/are based on lies.

How anyone can respect either of these two U.S. Presidents is beyond me. Both men should be in prison, for the rest of their lives. If there is not accountability for such heinous crimes as they have perpetrated upon America and upon the entire world, then why not let everyone who now is in America’s prisons, out? That would be less insane than either of these two men’s being *not* in prison. No current U.S. prisoner has perpetrated nearly as vast harms as Bush has, nor as Obama has. And what does it say for America’s sense of values, that Americans aren’t calling, loud and clear, and insistently, for both men’s severe imprisonment? It’s an embarrassment to this country — nothing less than that. No American should accept it. This American does not. Great Presidents, such as Lincoln and FDR, deserve their high honors: they earned that. Similarly, any Presidents who have been so vile as Bush was, and as Obama is, deserve to be imprisoned for the rest of their lives. I hope that America is better than to accept either man. The sheer symbolism of that continued acceptance, the message that it sends to the rest of the world about our country, is simply awful. It will look very bad in the history books.

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