

# Contents

	<b>Page</b>
<b>Preface</b>	<b>vii</b>
<b>I. Introduction</b>	<b>1</b>
<b>II. Prices and Shortages</b>	<b>2</b>
Producer Prices	2
Decontrol Measures	2
Methodology	3
Developments	3
Consumer Prices	3
Decontrol Measures	3
Methodology	4
Developments	6
Price Jump of January 1992	
Subsequent Inflation	
Relative Prices	
Price Dispersion	
Remaining Restrictions to Price Setting	
Divergence Between Producer and Consumer Prices	11
Shortages	12
<b>III. Household Incomes</b>	<b>14</b>
Wages and Other Incomes	14
Methodology	14
Developments	15
Wage Arrears	
Sustainable Wage Level	
Comparison with Other Transition Economies	
Incomes Policy	
Money Incomes	
Sectoral Income Developments	20
Wage Differentiation Across Activities and Firms	20
Regional Wage Dispersion	20
Minimum Wage	21
Budgetary Wages	21
Pensions	21
Income Distribution	22
Poverty	22
<b>IV. Household Expenditure and Saving</b>	<b>24</b>
Household Expenditure Behavior	24
Structure of Consumption	24
Developments in Overall Expenditure	24
Assessing Expenditure Decline	25

Saving Behavior	25
Methodology	25
Developments	26
Comparison with Other Transition Economies	26
Explaining Higher Saving in 1992	27
<b>V. Concluding Remarks</b>	<b>30</b>
<b>Statistical Appendix</b>	<b>32</b>
<b>References</b>	<b>49</b>
<b>Appendix Tables</b>	
1. Industrial Producer Price Index	32
2. Inflation Indicators	33
3. Producer Price Inflation: International Comparison	34
4. Structure of Consumer Expenditures	35
5. Urban CPI	36
6. Consumer Price Inflation: International Comparison	37
7. Geographical Price Dispersion, December 1991–December 1992	38
8. Ratio of City Market to State Store Prices for Selected Food Products, December 1991–December 1992	40
9. Controls on Food Prices, Mid-1992	41
10. Availability of Selected Foodstuffs in State Stores in 1992	42
11. Household Income, Expenditure, and Saving	44
12. Overdue Cash Payments to Individuals	45
13. Wage Structure Across Sectors	46
14. Distribution of Population by Income Level	47
15. Household Savings	48
<b>Charts</b>	
<b>Section</b>	
<b>II</b> 1. Inflation Rates	4
2. Producer Price Inflation: International Comparison	5
3. Consumer Price Inflation: International Comparison	7
4. Food Prices in State Stores Across Cities, December 1991–December 1992	8
5. Food Prices in City Markets Across Cities, December 1991– December 1992	9
6. Inventories in Retail Trade	12
<b>III</b> 7. Nominal and Real Average Wages	15
8. Wage Arrears in Industry, April–December 1992	16
9. Real Wage Developments: International Comparison	18
10. Dollar Wage in 1992	19
11. Wage Structure Across Sectors	20
12. Regional Wage Dispersion in 1992	21
<b>IV</b> 13. Wages, Purchases, and Inventories in Retail Trade	25
14. Household Balances	27