THE STRUGGLE FOR POWER IN THE SOVIET ECONOMY

David Mandel

"It is now our turn to reject that which has not withstood the test of history. They often try to frighten us that the market is exploitation, the restoration of capitalism, the rule of the shadow economy. In reality, we are talking about the transition to a civilized, cultured market, open to all honest and industrious people."

(From the appeal of the Russian Parliament to the population to support the "500-Day Plan for the Transition to the Market").

"I recently read in your paper [...] 'Employees of the state sector are prepared to become hired workers only on condition that their wages rise significantly.' [...] I don't know of any workers in the state sector who would be prepared to become hired slaves. And what can a 'significant' increase, say a doubling, of wages give them if prices rise 5-10 times and if mass unemployment sets in? Criminals, who have amassed capital, are becoming a class of owners and rulers of the destiny of the state."

(From the letter of a worker of Kharkov region.)

This article treats developments in the Soviet labour movement as they relate to the issue of power in the economy. The first section presents certain elements of the current economic situation that have brought the issue of power to the fore. There follows an examination of the forms, spontaneous and organized, through which workers have responded to it. A final section evaluates the significance of the self-management current in the labour movement from a socialist perspective.

Of Markets and Mafias

In early December 1990, a journalist at the liberal daily Komsomol’skaya pravda purchased a pig from a farmer and brought it to the kolkhoz (private) market to sell. The market price of meat had doubled over the last half year to 30-35 roubles a kilo (with a 33-66% rise only over the past month alone), and he wanted to understand why. He made the rounds of sixteen of Moscow's 33 markets but everywhere was refused access to the counters where he would have been able to offer his meat for sale to the public. Finally, at the Riga market, Moscow's largest, after paying a "crazy" bribe to
the butcher and inspector, he was given a counter among the egg dealers. He posted a sign: "Cheapest Meat at the Market" and started to sell at five times below the going price. The reaction was swift. A man purchased a very large piece of meat only to run back a few minutes later shouting that the meat was infected. When this false accusation failed to deter the other clients, our journalist was denied access to the scales, under the pretext that his meat was dirty. He then began to sell the meat unweighed, upon which four large men attempted to drag him away. "The markets of the capital," he concluded, "where, in principle, free economic laws should hold sway, are today completely monopolized. [...] The mafia structure of a single market rakes in several tens of thousands of roubles a day. The whole path is thickly paved with bribes."

73% of the respondents in a survey conducted in sixteen regions of the Soviet Union in the summer of 1990 stated that their ability to influence political life had not increased over the past two years. In another survey in Moscow in the fall of 1990, 60% claimed that "power in the localities belongs not to the soviets but to the chiefs of the mafia". In the sixth year of the preestroika, people are waking up to the realization that despite the increased freedom of speech, the competitive elections, and the removal of the party apparatus from the levers of political power, they themselves remain almost as powerless as ever. People, who only a year ago were fervent supporters of the schemes of the radical marketeers, now typically express fear that the elimination of state control over the economy means that "it will all fall into the hands of the mafia". The term "mafia" reflects the popular perception of a growing fusion of the bureaucracy, especially the economic administrators, with the "affairistes" of the private sector. These are the people who hold power in the economy, and so also in society.

Any Soviet citizen can readily offer a list of examples drawn from personal experience to support this view. The "mafia" has lately also become a major theme of the press, liberal as well as conservative (there is no mass socialist press). As a social phenomenon, its contours are illusive and fluctuating — its shadowy character is in the nature of the beast. But the term most often refers to two principal kinds of related activity: the creation and maintenance of shortages by monopoly structures, and the illicit transfer of state resources and funds into private hands. Both involve the collusion of administrators of the state sector with the "shadow" [tenevayal economy, itself often indistinguishable from the legitimate private sector. The "mafia" was not, of course, born under Gorbachev, as the trials at the start of the perestroika surrounding Rashidov's reign in Kazakhstan amply showed. But with the further weakening of central control and the
legalization of the private sector, the "Rashidovshchina" has become much more generalized. The following are some additional examples of "mafia" activity; these could easily be multiplied.

In September 1990, a deputy of the Moscow Soviet travelled to Astrakhan' to find out why tomatoes and watermelons were arriving from this southern region in such small quantities. The local Astrakhan' authorities showed him a pile of telegrams sent by administrators of Moscow's produce wholesale-retail network instructing them to stop shipment because of an oversupply in Moscow, which, of course, did not exist. "Prices are now mostly 'by agreement'," explained the deputy. "The less goods, the higher their price can soar. Who profits from this reduced supply of vegetables? Those who sell them. I consider that mafia links along the lines warehouse-shop-spectator are real!" As for dry goods, the director of a Moscow department store chain estimates that only 18% of the goods in high demand that are produced and imported actually reach the ordinary consumer. Enormous lines stretch around state shops, while at the private markets — and sometimes only a few yards from the door of the state shop itself — one can purchase the same goods without any wait for several times the state price.

The Soviet Union has imported hundreds of millions of dollars worth of medicine over the past two years. Yet even simple aspirin has become a rare find in the pharmacies. According to the director of a Moscow pharmaceutical trading firm, most of the imported drugs are not those that are in most demand, and no one consulted her about this. But someone surely made a bundle in pay-offs from the exporters. Anyone with enough money can obtain needed drugs by bribing the pharmacy or warehouse manager, or at the black market or at Moscow's little-known, but now quite legal, foreign currency drug store. According to one report, the volume of illegal trade in medicine is already approaching that of the state pharmacies.

Besides economic gain, shortages also play a useful political role for those interested in maintaining popular quiescence. People are so preoccupied with the material struggle for survival that they have little time or energy for sustained political activity. (This is, of course, not to claim that the shortages are the result of a political conspiracy, though in some cases even this hypothesis should not be dismissed. In any case, one can argue with confidence that, were it not for the political role played by the shortages, efforts to deal with them would be more intense and successful.) And when political tensions rise dangerously, "defitsit" (scarce goods — literally "shortage") is suddenly "thrown out" onto the market. According to a resident of the industrial town of Sverdlovsk, soon after a mass political demonstration, the authorities "began to 'throw out' Austrian boots,
Rumanian blouses and deodorant from somewhere or other. Naturally, lines sprang up, then lists, guardians of the lists and guardians of the night lines. The people are busy, they have become active. The committee elected at the demonstration soon found itself isolated from the rest of the population.\textsuperscript{14}

As shortages grow more serious, the practice of selling "defitsit" directly in the enterprises has expanded. This is a common and quite effective tool in the hands of the administration for reinforcing the workers' dependence. A worker who speaks up against management might miss out. At the same time, there are never enough goods to go around, and the squabbling over who is to receive what can seriously undermine solidarity within the collective. This practice also has a deeply corrupting influence on workers, since the goods that are sold are often not scarce basic consumer goods but items such as cars, electronic equipment, video cassettes and French perfumes, which the workers then resell at a large profit. Management is, of course, perfectly aware of this.

Shortages also serve as a political football for conservatives and liberals who want to discredit each other. With the potato crop rotting in the fields, party officials accused the "democrats", elected to the soviets in the spring of 1990, of doing nothing to mobilize their constituents for the harvest. (This used to be the role of the party apparatus until it was stripped of its administrative functions in the economy.) The liberal press, in its turn, blamed the conservatives for sowing panic in order to discredit the "democrats". The "democrats" pointed their finger at the central economic apparatus for failing to take measures in time, when the problem was foreseeable even a year ago. Indeed, the first reaction of Gavriil Popov, Moscow's liberal mayor, was to refuse to mobilize his constituents, suggesting instead that the incompetent ministerial apparatus be sent to the fields.

Leonid Sukhov, a taxi driver from Kharkov and member of the USSR Parliament, expressed a widespread view when he suggested that "someone" is consciously creating a desperate situation with the aim of preparing the workers psychologically to accept any reform, including the market.\textsuperscript{15} The "democrats" argue that they lack real power to change the situation. And while there is much truth to this claim, they have done little to mobilize the population in order to change the correlation of forces. There is a general reluctance on the part of liberals, stemming from their ideological orientation as well as from more concrete political considerations, to apply "administrative" methods — the only ones that could be effective against monopoly — to rein in the "mafia". For, as the Russian-born American economist Vasily Leontieff has argued, today's mafia is tomorrow's class of "civilized" capitalists.
Direct robbery of the consumer is only one source of "mafia" profits. Parallel to this, and sometimes overlapping, is theft from the state. This also takes many forms. Workers tell of the "pocket". co-operatives and joint ventures set up by enterprise management for the illicit sale abroad or to the private sector of raw materials and semi-manufactured goods. For example, the director of the state research and manufacturing association Gidrolizprom authorized the creation of the co-operative Khimtekhnika and transferred to it — free of charge — the association's large store of defective titanium hydrolysis apparatuses. Khimtekhnika, which began with no assets of its own, traded these for from six to nine million roubles worth of computers and video players, of which Gidrolizprom saw none. After several narrow escapes from the economic police and tax inspectors, Khimtekhnika's directors transferred these assets to a joint Soviet-Swiss venture, Intercomplex, created specially for that purpose. (Joint ventures enjoy a two-year tax holiday.) Since then, the Gidrolizprom association has been disbanded. Its former institutes and factory, now independent, face large debts and bleak futures. Not so the former director of Gidrolizprom, who now stands at the helm of Intercomplex. 

Subcontracting work to co-operatives is a common way of turning non-cash credits into cash. In the Soviet economy, monetary exchanges between state enterprises take the form of bookkeeping transactions between the State Bank accounts of the different enterprises. In such exchanges (po beznalichnomu raschetu), no cash changes hands. On the other hand, in transactions between state enterprises and co-operatives, which are non-state enterprises, cash is paid out of these accounts, allowing state managers to receive kickbacks or salaries as members or employees of the co-operative. There are also fortunes to be made in foreign dealings. Most of Moscow's "joint venture" construction companies are too busy importing and selling computers to put up any buildings. And why should they, when their profits can reach $4,000\%$? As a minister in the Latvian government put it, "co-operatives and joint enterprises are often oriented not toward the production of consumer goods but toward their redistribution. From the state's pockets into their own. That is, if we are to call things by their name, they are involved in speculation on a very large scale." Under Brezhnev, a "gift" of jeans or whiskey helped to seal foreign export deals to the Soviet Union. Under the perestroika, when foreign dealings have been decentralized, large cash sums of foreign currency have become de figueur.

Mention must also be made of the party apparatus, many of whose former and current members are using their connections and illegally accumulated wealth to go into business. In Leningrad, for
example, the once mighty regional party apparatus has been reduced to 37 people. But they keep busy renting out offices to co-operatives, private banks and foreign companies in the Smolnyi Institute, an historic landmark and prime piece of real estate that rightfully belongs to the people. They have also turned one of the committee’s hotels into a joint venture.

But it is not only members and former members of the bureaucratic clans who are involved in these activities. A scandal broke out in the Moscow Soviet when a deputies’ club by the name of "Stolitsa" (capital) tried to oust the local temperance society from its premises on Chekhov St. It was discovered that this club’s goals are "production and commercial activities". Further inquiry revealed that its founders work in the Soviets’ Commission on Economic Policy and Entrepreneurship. Komsomol’skaya pravda remarked: "The example of 'Stolitsa', unfortunately, is not unique but is even typical of the existing structure of soviets: different commissions of local soviets often create various commercial organizations and pay part of their profits, not to the local budget, but directly to their founders. And the founders, of course, repay the kindness."

In December 1990, 35 members of the Oktyabr'skii District Soviet in Moscow publicly accused its chairman, Ilya Zaslavskii, a liberal luminary, of "organizing monopoly structures, as similar to classic 'shadow' formations as two peas in a pod [. . .] Judge for yourselves: the chairman of the District Soviet, the chairman of its executive committee, and almost all his deputies, having become heads of the district's political structures, are at the same time directors of co-operatives, commercial banks and firms. [There follows a long list of these enterprises.] Exceptionally favourable conditions are created for the activity of all these firms, and tens of thousands of roubles are being pumped at an intensive rate into their financial accounts from the basic budgetary funds of the district executive committee, that is, they are openly robbing you and me of funds intended for the socio-economic development of the district."

The deputies went on to accuse the executive, busy with realizing Zaslavskii's conception of "the market economy and financial independence of the district", of sabotaging the district's vegetable harvest campaign. The housing programme, they argued, was also failing: while the executive was selling state apartments primarily to occupants who openly stated their intention of leaving the country and reselling the apartments for foreign currency or renting them out to foreign companies, 60,000 people in the district still lived in communal apartments.

These developments, the "transition to the market" as the uncontrolled sway of monopoly formations and the illicit transfer of
THE STRUGGLE FOR POWER IN THE SOVIET ECONOMY

public wealth to private hands, popularly termed the "mafia-ization" of the economy, do not come as a surprise to Soviet Marxists, who are the only ones even to attempt a serious analysis of the underlying causes of the "command" system's failure. They have always insisted that the basic issue in economic reform is power, that is a social issue, and that the market-versus-plan debate is about mechanisms of regulation that in and of themselves do not determine the nature of a social system. The failure of the "command" system cannot be explained by simply citing the allegedly "utopian nature of a planned economy", though the Marxists themselves call for a revision of the old socialist model of "one big factory", including a significant expansion the role of market relations in the Soviet economy. But this task, however important, cannot be resolved successfully in the interests of the great majority without directly confronting the issue of power.

For the Marxists, the underlying social cause of the crisis of the old system is the absence of control over the economy's administrators, who after the revolution usurped the power of the economy's official owner, the people, without becoming full owners themselves. Under Stalin, at the origins of the "command economy", some control from above did exist. A manager who failed to carry out assigned tasks knew that he or she would be sanctioned, often in a drastic manner. Khrushchev eliminated the terror but did not replace it with democratic control from below. He merely played with democracy. But even his timid reforms provoked the opposition of the bureaucracy that was able to find allies in the majority of the political leadership. Brezhnev thus came to power as the candidate of the bureaucracy. What Soviets today call "the period of stagnation" was probably the purest expression of the rule of a bureaucracy increasingly free of outside political control. During this period, administrators (especially at the top and middle levels) did not need particularly to fear punishment for failure to carry out official duties. Real sanctions were reserved for those who violated the informal rules, the esprit de corps, of the bureaucratic caste mired in corruption.

From this point of view, Gorbachev, though himself a reformer, has favoured the process that he inherited from the Brezhnev régime: today the centre has become almost as powerless as the people themselves against the economic bureaucracy, which is free to exploit its monopoly positions in perfectly predictable ways: restricting the volume of goods put on the market, cutting quality, and raising prices. This is the inevitable consequence of an attempted "revolution from above" which has entrusted economic reform to the bureaucracy itself. Its aim is to preserve the power and privilege of at least a part of the bureaucracy by transforming the mode of
domination and exploitation. This, of course, requires bringing new elements into the ruling class and sacrificing some of the old.

The developments in the Soviet economy described above are forcing the liberals to come to terms with the unpleasant reality. Their standard argument that the deepening economic crisis and the "debauch of the mafia" are due to the absence of "real" reform has lost much of its force, since ordinary citizens have already experienced enough of the market to form a quite clear picture of what a "real" transition to the market holds in store for them. In the words of the USSR Minister of Finance: "One can argue whether we are prepared or not for the transition to the market, if competition has been established among producers or if that still remains a very distant goal, but the reality is such that the market is already imperiously intruding into our lives. Over 60% of prices are not under the control of the state. That means that they are rising, and very significantly. [. . .] Monopolism in industry, agriculture and transport has very strong positions." 23 (This is quite an admission, in view of the fact that there has been no official price reform. In the spring of 1990, Gorbachev solemnly promised that there would be no price reform without first consulting the population, itself overwhelmingly opposed to price rises.)

Liberal sociologist Leonid Radzikhovskii argues that the Soviet economy is dominated by a "lumpen-bourgeois ethic: the desire to increase one's own property at the expense of state property, which is 'no one's' property". This has yielded "a unique, historically unprecedented monster — a completely mafiaized economy". All this he attributes, of course, to the socialist revolution itself. But he is not far from the Marxists' analysis when he describes the perestroika as the "privatization of the bureaucratic-mafia structure: the ministry becomes a monopolist concern and the city trade administration — an association of private shops". Nevertheless, he warns that it would be silly to believe that anything else is possible, since the "mafia-nomenklatura" is where the power is. And so, however distasteful, one must hold the course since "only in conditions of open private property will it be possible to begin, drop by drop, to crush monopoly and the mafia, [. . .] millimetre by millimetre to restore the common human ethic" 26 and to get rid of the lumpen bourgeoisie". 27 In essence, Radzikhovskii is proposing to hold one's nose and support the revolution from above. He does not even mention the possibility of a popular revolution as an alternative. For wresting power from the "mafia-nomenklatura" by the people itself might jeopardize his goal of a capitalist restoration.

Leningrad's social democrats, advocates of a "mixed" (but predominantly capitalist) economy, have also recently come to the
realization that "privatization will mean the transfer of property into the hands of the directors; and the introduction of a market economy — their freedom from any limitations whatsoever". The following are only the most striking of the developments along these lines in their city: "The 26 largest enterprises, having formed the 'Association of Industrial Enterprises', have now founded the bank 'Rossiya', in which they are investing millions of roubles. They have also created the firm 'Nevskaya perspektiva', through which they will buy up [...] the consumer goods and food industry of the city along with the trade network — all this, naturally, to help the citizens and Leningrad Soviet. At the conclusion of these operations, the city will still be run by the same old administrative structure, only its elements will enjoy new opportunities, which hitherto were considered criminal."  

While this in itself is worrying to the social democrats, who want a "normal" Western-style economy for the Soviet Union, they clearly fear even more that "political instability" and "social unrest" will result. "People in the factories will not wait for long when they discover that society is being ruled by the same actors, leading the same kind of life, along with all their relatives and friends and with a part of the most amenable democrats, the only difference being that they will have exchanged their black Volgas for black Mercedes." The Leningrad social democrats are fervent partisans of what they call the "parliamentary path". "There are two alternatives: try to use the extreme instability of the situation to destroy the remaining conservative structures and on the wave of the mass actions hope to become political leaders 'expressing the interests of the people'; or try to prevent the social explosion by any methods available, preserving the parliamentary path of development of events. The Bolsheviks of 1917 were the most consistent partisans of the first option. [...] We know the consequences of trying to make a social revolution." Consequently, the social democrats see the bureaucrats' move from Volgas into Mercedes as virtually inevitable. All they can think to propose is to invite Western capitalists in the hope that they will introduce a "civilizing" element into Soviet business. Another proposal is for the Leningrad Soviet itself to go into business, as a counterweight to the "mafia". But, they sadly note, in that case there would be no guarantee against the Soviet itself becoming "mafia-ized".  

**The Struggle For Power in the Factories**  
The growing prominence of the question of power in the economy, as well as the accelerated decline in the general economic situation, have had a direct impact on the labour movement. Labour conflicts in the
first years of the perestroika centred around issues of wages and work conditions, with demands addressed to the enterprise management and sometimes to the ministry. Although wages and conditions still remain central issues, a new type of conflict has emerged over the past year. Rather than putting forth economic demands and pressuring management to meet them, workers are themselves seeking an active role in management of their enterprises. These conflicts, which are more offensive in nature and pose directly the issue of power in the enterprise, have been especially prominent in the crucial machine-construction industry, which unlike coalmining, has not seen any co-ordinated, inter-enterprise strike movement.

At the start of 1990, Moscow's AZLK auto factory, which makes the "Moskvich", seemed even to its handful of activists an unlikely place for an "uprising". Like many of Moscow's factories with large semi-skilled and unskilled labour forces, about two-thirds of the workers here are "limitchiki", workers from the provinces with temporary Moscow residence permits that can be revoked upon dismissal from the factory. They are, therefore, especially vulnerable and generally quiescent. But even the settled Muscovites felt the pressure and corrupting influence of the internal distribution system, which expanded as shortages in the state shops worsened.

True, the year before, something unheard of had occurred at the factory's trade-union conference: someone complained about the purchase of useless machinery in Western Europe. Some speakers blamed this on management's decision to send the director's son (travel to the West is a coveted privilege) rather than workers and engineers who had first-hand knowledge of the specifications. AZLK's workers also remembered how the previous year the director had ignored the decision of the work-collective (self-management) council and adopted a 120,000-car plan target. He went so far as to dismiss his popular assistant director, who had insisted that the plant's capacity was only 80,000. In fact, only 74,000 cars were made in 1989, but the workers received their bonuses anyway, since the director is well-connected and was able to persuade the ministry to "correct" the plan. The adoption of the original plan had allowed him to obtain additional funds, some of which went to buy the machinery that was lying about uninstalled. 1989 also saw the workers reject management's proposed schedule of fifteen "black" (working) Saturdays, when the director, in a nod to the current fashion (since then abandoned, as we shall see), foolishly decided to consult the workers.

But otherwise, the workers looked on in their usual gloomy silence at management's inability rationally to organize production and provide normal work conditions as well as at its deepening
corruption. (The huge sums involved in the "shadow" economy and the great demand for the attractive new "Moskvich" have opened up new vistas in this area.) Then came an article in Komsoml'skaya pravda, written on information provided by factory activists, describing the poor management at the enterprise. If in 1985, 17,500 workers produced 175,000 cars, in 1989, 16,900 workers made less than half as many. This was followed by a television report that the factory was being fined one and a half million convertible roubles for non-fulfilment of a contract to build a sports car for a West-German firm. The final piece of tinder was provided by the news that the retail price of the "Moskvich" would be raised 50% to 13,500 roubles, even though no substantial improvements had been made. The factory would be allowed to keep 1,000 extra roubles for its needs.

In January 1990, the work-collective council of the assembly shop, led by a group of activist workers (who are also party members), called a shop meeting to discuss the situation. To the surprise of the initiators, workers streamed in from all over the factory and filled up the 800-seat hall and adjacent corridors to overflowing. The following demands were put forward: dismissal of the director and election of a new one; reinstatement of the dismissed assistant director; new elections to the enterprise work-collective council, since the present one was subservient to the administration; no price rise (speakers explained that it might permit the factory to raise wages, but if all enterprises made unjustified price rises, wage gains would soon be wiped out); equalization of the rights of the "limitchiki" with those of permanent residents; a regular work process, without idle time, "storming", and violation of internal supply schedules; real cost-accounting; and wages paid according to labour (large wage differentials exist from shop to shop for the same kind of work). Some speakers demanded that supervisory and technical personnel be cut and the savings be used to raise the salaries of the remainder in accordance with results.

In a letter to Pravda, Sergei Novopol'skii, chairman of the assembly shop's work-collective council and head of the brigade of mechanic-assemblers, explained the underlying impulse behind the explosion: "The main thing is that we are convinced that the perestroika does not need silent workers of the kind the present management would like to see but workers who think, who understand, and who know how to work in a way that is useful for the country." But the director, on his part, attributed it all to "intrigues of the apparatus", which he accused of abusing the new democracy and glasnost. He agreed to hold a referendum on his administration, which he won. The main results of the meeting were new elections to the work-collective council and a halving of the proposed price rise.
The workers were obviously not prepared for sustained activism. In part, this can be attributed to the influence of the economic crisis and the internal distribution system. However, the latter's arbitrary and corrupting nature, while effective in the short run, is particularly degrading to the workers and eventually adds fuel to the explosions, when they finally occur. And most Soviet observers expect these to occur soon. More importantly perhaps, the auto workers' demands were addressed to the enterprise management, but many of their problems could be resolved only at higher, essentially political, levels. Any new movement will have to link up with workers in other enterprises if it is to be effective and take on stable, organized forms.

Only a few weeks after the AZLK meeting, a similar gathering took place several thousand kilometres away at the Sibelektrotyazhmash plant in Novosibirsk which makes large electric generators. Here too workers had never shown much concern for the economic fate of the enterprise. Their complaints were traditionally about the cafeteria's food, bad ventilation and heating, the periodic absence of hot water. In short, it was a typical machine-construction enterprise, except perhaps for the shiny new Toyotas parked in front of the administration building, though these too were becoming a familiar scene in the fifth year of the perestroika. The initiative for the meeting here too came from a group of activists. A few days before, the head of a brigade of turners, himself a member of the factory's party committee, sounded out the shops and met with an enthusiastic response from the workers. The main issue at the meeting was poor management. The director had been elected a year ago but had not carried out his programme: no new forms of work organization had been introduced. Output was half of what it had been twenty years ago, but the work force was the same size. The assembly brigade stood idle for weeks, while workers in the adjacent shop put in ten hour shifts for the same wage. Copper wire worth thousands of roubles was cut up because there were no reels. Technical and production discipline had declined catastrophically. While the director blamed all this on the middle levels of management that he accused of sabotaging his initiatives, the workers complained that they rarely saw him at the factory and never on the shop floor. While the collective was seething and with the conference already in preparation, he took off to Moscow to attend a branch conference of directors. The chief engineer's assertion that things were not so bad since profits had risen 400% over 1976-88 made no impression on the workers.

But the most insistent accusation against management concerned the co-operatives. These had been created to help the enterprise fulfil the state's directive to increase its production of consumer goods. "Where are these goods?" asked the workers. "We don't see any
more [on the market] than before. Whom are we fooling?" "The managers are coddling the co-operatives, and the co-operatives are robbing the enterprise blind. Transformer copper is going to the co-operatives, but who signs it out? We produce no copper waste." "The superintendent of the first department received 1500 rubles from one of the fifteen co-operatives organized at the factory to produce consumer goods. [. . .] In essence, this is payment for his having ruined the shop — let's tell things as they really are. The shop is now working to meet the needs of the co-operative, not the factory. Forty welders left the shop for the co-operative, forcing other shops to send their people to help it out. One of the assistants to the chief engineer received 2700 rubles for the construction of a trestle bridge in his spare time. Where does he get it, if he doesn't have a fixed workday!? The party organizer has also dirtied his hands in the co-operatives. He has passed all his work to his assistant and himself is nowhere to be seen. People are sick of all this. It angers us to the bottom of our souls. What is going on around us!? We have to change our life, we cannot go on living like this."

The meeting elected a workers' committee (representing only the blue-collar workers) to take power in the factory and decided to hold new elections to the work-collective committee (which represents all employees: workers, office employees, engineering and technical personnel as well as management), which had been doing little more than distributing "defitsit". The factory's newspaper was removed from the control of the administration, the party and trade-union committees and made responsible to the workers' conference. Managerial, engineering and technical personnel were to be cut in half, and a new director elected. (The workers' committee later decided to give him six more months, after which he would report back to the workers, who would take a final decision.) Characterizing as one-sided the enterprise's relations with the ministry, regional and union governments (it paid them 70% of its income, leaving little for the collective's social development), the meeting decided to negotiate a reduction in its payments. The workers' committee was instructed to study, with the aid of economists, the question of gradually leaving the ministry. (The workers were aware that they might be worse off without the ministry playing its redistributive role within the branch.)

The co-operatives, accused of "pillaging the enterprise's resources and fostering the moral decay of the collective", were ordered off the enterprises's territory, and administrative personnel as well as employees in the financial and accounting departments forbidden to work in them. Full reports on their activities and finances were ordered from the co-operative chairpersons. The meeting also turned its attention to the nefarious effect on the collective of the internal
distribution system and decided that henceforth, the sale of scarce consumer goods, food, cars etc., would take place only after this had been approved by a workers' conference. Finally, on the issue of the Toyotas, a report was demanded of the superintendent of the transport department on the cost of maintaining the enterprise's fleet of cars and vans and on his budget in 1989.

The election of a workers' committee is characteristic of many of these conflicts. As one observer put it, "in the majority of cases the work-collective committees [elected by the entire collective] fail to show any independence vis-à-vis management. The work-collective committees were basically created on order from above. [Until the government issued a special instruction, they were often headed by the director.] The workers' committees [representing only the blue-collar workers], on the other hand, are not obligated to anyone at their birth, i.e. they are not the result of initiative from above but of the realization that we are all responsible for changing things and that if we do not, who will?" The formation of workers' committees reflects in part the deepening hostility between workers and "white blouses" in the enterprises — the reduction of administrative and technical personnel is a very popular demand.35 But it also is a response to the fact, that technical, like administrative personnel, have no right of appeal against dismissals and are therefore more dependent on the director. One of the workers' leaders explained: "The shop engineers are our brothers; they work in the same dirt and face the same difficulties. [...] We aren't against them. They should be with us. Our level of knowledge does not allow us to really spread our wings, especially when it comes to economic questions. But for the time being, we have decided to create a workers' committee with representatives only from the working class [...] we have a good lever [...] — the strike. Management has to consider that possibility and take the proletariat into account. [...] But we do include the engineering and technical personnel in the work-collective committee."36 Another interesting aspect of these conflicts is the initiating role often played by worker party activists. This occurs against the general background of the party's unpopularity among workers, who are leaving it in significant numbers.

At a Vilnius trucking enterprise, whose existence was threatened in the spring of 1990 by Moscow's oil embargo and the republican government's proposed economic reforms, the workers dissolved the work-collective committee and elected a workers' committee, assuming full control of the enterprise. The committee was instructed to take "all measures to organize the enterprise's complete, normal functioning, which has been undermined of late". Among other things, it independently concluded a contract with the Ministry of
Transport of Byelorussia (just across the border from Lithuania), which agreed to supply the enterprise with fuel and parts. "I would never have believed it," commented a member of the administration. "I always thought that the main thing for them was their 19 rubles a day, and to hell with the rest." At a Voronezh machine-construction factory, the director was misappropriating the factory's equipment and materials for his personal benefit. A small, poorly organized enterprise that was in bad economic shape, it nevertheless maintained seven well-paid assistant directors. Spurred on by the party committee, a bare majority of the work-collective committee called a workers' conference. It elected a workers' committee, which it mandated to investigate and restore order in the factory. The director was replaced through competitive elections, and affairs began quickly to improve.

At a Novosibirsk machine-construction factory, the workers shut down a co-operative that management had entrusted with the enterprise's supply and transport services. This occurred after a group of workers forced open the assistant manager's safe and found a contract showing him to be an employee of the co-operative which had been selling the factory's raw materials on the side at two and three times the state price. At the VAZ auto factory, the workers first learnt from an interview by the assistant general director in the enterprise newspaper that, as one worker put it, "our clever managers had already prepared a packet of documents for the conversion of VAZ into a concern". In response, the work-collective committee declared VAZ and all its production the property of the work collective.

Conflicts over power in the enterprises, that is over workers' self-management, are destined to grow as the economic and political disintegration of the country continues and factory and ministerial administrations, behind the backs of the workers, who typically suspect the worst, transform enterprises into joint-stock companies, enter them into "concerns", transfer departments to co-operatives, establish joint ventures and commercial banks with enterprise resource and funds.

The Limits of Trade-Unionism

Until recently, however, one could not speak of a self-management movement in the Soviet Union. There were only isolated conflicts over power and committee activity in the enterprises. The organized labour movement, which began with the miners' strike of July 1989, has been characterized by a basically, though by no means exclusively, trade-unionist orientation. After the 1989 strike, the miners transformed their strike committees into workers' committees, which united on a regional basis. Their main function was to monitor fulfilment of the accord with the government Resolution 608 that ended the strike. The miners have also held two national congresses, in June and October
1990. These resulted in the founding of an independent trade union. Unlike the official union, which embraces all the employees of the Ministry of the Coal Industry, the new union limits its membership to non-managerial personnel employed directly by the coal mines or the coal-enrichment factories. The Fifth Conference of Workers' Committees of the Kuzbass, which (along the much smaller Pechora basin), has been the most militant and politicized region, in September 1990 also set as its central goal the formation of a "normal" trade-union movement.

For a movement that arose out of nothing after almost 60 years of very effective repression, these are impressive organizational gains. Nevertheless, this movement is today in crisis. It has not really succeeded in spreading outside of the mines and mining regions. The unions of workers' committees that have arisen in other regions consist mainly of small groups of activists, who emerge out of their isolation only when serious conflict arises in their enterprise: None of the organizations from outside the coalmining areas that attended the Congress of Independent Workers' Organizations and Movements in May 1990 in Novokuznetsk (which founded the Confederation of Labour) has anything resembling a mass base. In the mining areas themselves, rank-and-file activism has declined, and the ties between the unions of workers' committees and the rank-and-file have weakened. Many delegates to the Second Congress of Coalminers in Donetsk at the end of October 1990 were not at all certain that the congress's decision to found a new trade union would meet with an active or enthusiastic response back home in the mines.

This is essentially a crisis of political orientation against the background of the deepening economic crisis. The attempt through strictly trade-unionist activity to protect living standards and labour conditions in a collapsing economy has reached its limits. The miners themselves have recognized that the government lacked the means to carry out certain parts of Resolution 608 and that many of those economic gains that were realized were soon lost to inflation. Moreover, in existing Soviet conditions, a trade-unionist orientation often leads to solidarity between workers and their own administration, often at the expense of the rest of the population that ends up with a bill it can ill afford to pay. For example, the one-day mail carriers' strike on June 15, 1990 was organized by the Ministry of Communications itself. And the second Congress of Miners was financed by the Ministry of the Coal Industry, which had its representatives on the organizing committee. This surely must raise questions about the interests being pursued by the various bureaucratic clans in supporting these movements.

The miners' movement did, of course, put forth important political
demands relating to the democratization of the state. But the basic question remained unanswered: what to do with this democracy if and when it was won? The most politicized elements (often those most strongly under liberal influence) have tended to advocate a trade-unionist orientation for the labour movement and, to the extent that they put forth a positive economic programme, a market reform borrowed from the liberals. But this is running up against the same reality that the liberals are now being forced to confront.

Representatives of the Kuzbass Union of Workers' Committees, which under the presidency of Vyacheslav Golikov has had the strongest pro-liberal orientation, participated in the work of the Shatalin-Yavlinskii commission that drew up the 500-Day Plan. This is a programme for the wholesale privatization of the economy and the establishment of a market system in which state regulation plays a subordinate role. The Kuzbass union has been a strong supporter of Boris Yeltsin and the Russian Parliament, with whom it concluded a social peace accord in exchange for the parliament's support in creating a "zone of joint entrepreneurship" (free-trade zone) in the Kuzbass. But Golikov, in his report to the union's fifth conference at the end of September 1990, was forced to recognize the "deformations" (of the type described here in the first section) that were already occurring in the Kuzbass with the expansion of the private sector and market relations in the region. He appealed "not to leave these processes to themselves without the participation of the toilers. While defending market relations in the economy, we do not intend to allow it to be bought up by existing structures and their functionaries". Yet he offered no practical proposals for preventing this. Similarly, the conference's "Appeal to the Toilers of the Kuzbass" observed that "The programme of transition to market relations and, in the Kuzbass, also the creation of a zone of joint entrepreneurship are on the whole seen positively by the toilers of the region. But at the same time, the shift of the enterprise to cost-accounting and self-financing is already causing job cuts and the closure of unprofitable factories. The transition to market relations will intensify this process by many times." But rather than question the wisdom of this reform, the document merely calls for the creation of "genuine trade unions" to defend the workers.

The liberal orientation of the Kuzbass leaders is to a large extent premised upon their understanding that the region is well-situated to benefit from the market. The cost of extracting coal in the Kuzbass is relatively low, since the industry here is comparatively new and the coal close to the surface, often allowing open-pit mining. Export contracts have already been signed with Japan. (Some economists, however, argue that Kuzbass optimism will be short-lived. The region
is 6,000 kilometres from a port, and the exports are being subsidized by cheap Soviet freight rates. If these rates were raised to the same world levels at which the coal is being sold, there would be no foreign contracts. How long will the railroad agree to subsidize the foreign-currency earnings of the Kuzbass coal industry?) The future, however, does not look so rosy to the Donbass miners. Their mines are old, deep — many are virtually mined-out — and their production costs are high. The transition to the market here threatens the region with mass unemployment and the extinction of entire towns and villages.

It is not surprising, then, that outside the Kuzbass and the Pechora basin (which has export contracts with Sweden through Arctic ports), the miners' movement has been rather less enthusiastic about the market. As the inevitable consequences of a transition30 the market, as envisaged by the liberal reformers, become clearer, their lack of enthusiasm is turning into alarm. After the publication of the 500-Day Plan, which calls for an end to subsidies and the eventual freeing of prices, dozens of mining associations and enterprises sent angry telegrams to the government. A delegation of miners from the Yakutugol' Association came to Moscow to protest against the intended dismantling of the industry's central administration and the ending of subsidies. "Natural and geological conditions vary from mine to mine," they explained. "Therefore, they cannot all be equally profitable. In our association the average cost of coal is from one to eighteen rubles, but in Donbass it is 40 to 120 rubles. Without the centralized redistribution of funds, without subsidies, Donbass will not survive. [...] Without centralized management, all sorts of misfortunes and shocks await the branch."

Taking note of these concerns, the organizing committee of the Second Congress of Miners decided against endorsing the plan. One of its members, a miner from Karaganda, explained: "There are disputes in the collectives and in the organizing committee [about the transition to the market]. The interesting thing is that we ourselves participated in the creation of one of the programmes — that of Shatalin. [...] But we wavered. Why? First of all because the hardest blow will be struck against the extractive industries, and we wanted to first see a separate programme of transition to the market for our branch. Of course, a part of the people understand that it will be necessary to accept certain sacrifices, but there are also many who say: why do I need that market if my interests are violated, if I lose benefits and job seniority? [...] We are also worried by the fact that the realization of the Shatalin programme calls for a strong presidential power. Yet just yesterday, we proclaimed the democratization of society and self-management." The organizing committee demanded the maintenance, at least for the transitional period, of the
industry's central administration and subsidies. Even the Council of Representatives of the Confederation of Labour, which was subject to strong liberal influence at its founding, also balked at endorsing the 500-Day Plan at its September 1990 meeting in Donetsk.

The differences in orientation among the mining regions manifested themselves from the very start of the Second Congress of Miners at the end of October 1990 in the debate over the agenda. There were three main items: a report on how the decisions of the first congress had been carried out, the transition to the market in the coal industry, including a report by the Minister, and the establishment of an independent trade union. Delegates from the Donbass insisted on allotting an unlimited amount of time to the second question. They felt their region was at stake and that trade unions would be of no use if the mines were closed. Delegates from the Kuzbass, on the other hand, insisted on unlimited time for the third point, since, they argued, whatever system the workers lived under, they would need strong trade unions to defend them.

Though the vast majority of delegates were in favour of a new independent trade union (a significant minority wanted to democratize the old one), a split over these differences in orientation was narrowly averted only at the very end of the congress, when the new trade union was established. But the delegates remained extremely dissatisfied with the report on the transition to the market, even though the Minister had assured them there would be no layoffs in 1991. ("If even one miner is dismissed," he declared, "you won't have to ask me, I will resign myself.") The discussion made it amply clear that although many miners fear the market, they certainly do not want to retain the old system. But the Minister offered no new vision, only the need to ask the government for additional subsidies. The delegates responded with the decision to create their own commission of experts to develop a plan for the industry.

This decision was implicit recognition of the limits of the strictly trade-unionist approach that some of the Kuzbass delegates, like Golikov, were advocating. These delegates argued that the congress's basic task was to create a trade union whose principal function would be to obtain the highest price for the labour power the workers were selling to the "employers" (rabotodateli). But most of the delegates obviously felt that the new union could not leave the tasks of managing and restructuring their industry outside of its purview.

The Emergence of a Self-Management Movement

Although self-management has not played a prominent role in the miners' movement, even those leaders closest to the liberals would no doubt say that they support the idea. One often has the impression
that their alliance with the liberals is in no small part based upon a misconception (fed by liberal rhetoric about "people's enterprises" and "returning property to the people") that the market proposed by the "democrats" is a necessary condition for real self-management. In fact, the history of market reform in Yugoslavia, which has had the richest experience in this area, shows that self-management poses severe limits to the free circulation of capital and labour, and as such is incompatible with the efficient functioning of the kind of "full-blooded market" that Gorbachev has said he wants to introduce in the Soviet Union. In Yugoslavia, as well as in the rest of Eastern Europe and the Soviet Union, the "radicalization" of the market reform is being accompanied by a retreat from the self-management idea and the restoration of full private property rights, including the right of owners to manage and sell their enterprises.

But although the self-management orientation has until recently been a minor note in the organized labour movement in the Soviet Union, it was never completely absent. At the May 1990 Congress of Independent Workers' Organizations and Movements, where the influence of certain liberal Moscow intellectuals was strongly felt, a minority "Block of 33" delegates (mostly from outside the mining areas and in particular from the industrial centres of the Urals), argued for an independent labour movement within the broader democratic movement (a position firmly opposed by the liberals) and proposed the following platform as a response to what they described as an offensive against labour's social and political rights:

"In no circumstances to deprive the workers of the right to manage their enterprises and to realize the principles of self-management; not to allow the economic reform to be carried out at the expense of workers' interests, through the reduction of their real wages and the spread of unemployment; to oppose the democratization of property relations through the sale of state enterprises to private individuals."

The conflicts over power in the enterprise and the deepening suspicion among workers that destatization will in practice mean the transformation of their enterprises into the property of the bureaucrats and "affairistes" of the "shadow economy" formed the background for the emergence of an organized self-management current in the labour movement in the late summer of 1990. But the immediate impulse was provided by the passage in the USSR Supreme Soviet of a new "Law on Enterprises in the USSR" at its Spring 1990 session. This law, adopted with suspiciously little publicity, supersedes the 1987 "Law on State Enterprises" that had granted broad self-management rights to the work collectives, including the right to elect managerial personnel and to participate in and monitor the administration of the enterprise through their elected work-collective
The new law was explained at the time by the need to facilitate the process of democratization and the shift to the market. But the activists who managed to learn of it described it as "depriving the work-collective councils of any real functions in management and in practice reducing them to nothing." Under the new law, which said nothing about self-management, enterprises are to be managed according to their charters, which are to be established by the owners.

A week after the law's adoption, the workers of the main assembly line of the VAZ factory declared: "[We] are deeply angered by the fact that the Supreme Soviet of the USSR, on June 4 1990, passed a 'Law on Enterprises in the USSR', in secret from the people, without first even publishing a draft in the press and submitting it to the collectives for discussion. In essence, a gross provocation has been committed against the toilers of the country. A law affecting the interests of every work collective has been adopted without any consideration for the opinion of the toilers themselves."

In fact, the offensive against self-management, which had never become much of a reality anyway, had begun months earlier with the government's instruction to end the practice of electing managerial personnel. "The absurdity of these elections does not require discussion," wrote the management-oriented journal EKO. "This has already been recognized by N. I. Ryzhkov. M. S. Gorbachev, who first proposed them, has not expressed any opinion, but his silence speaks loudly." The liberal ideologues have also participated in this offensive, though often hiding behind self-management rhetoric. Thus, Gorbachev's personal adviser, economist Nikolai Petrakov, has described the creation of councils of stockholders (who are not limited to the enterprise's employees), which will appoint the directors and make key decisions on investments, dividends and profits, as "a sort of step toward self-management free of higher-standing links."

The convocation of the First All-Union Conference of Work-Collective Councils and Workers' Committees in Togliatti on August 31-September 4 1990 was a direct response to the passage of the new law. Attended by about a hundred delegates from enterprises employing some two million employees, it was almost completely ignored by the national media. Rabochaya tribuna (Workers' Tribune, published by the Central Committee of the CPSU) was the only central paper to give it any coverage, and this was really incidental to its main interest in responding to the challenge of Nikolai Travkin, leader of the Democratic Party, who said he would eat his hat if the paper published the conference's resolution critical of the government. The crew of the national news programme "Vremya" also came, but its purpose was to film Venyamin Yarin, an "honorary" worker-member of Gorbachev's Presidential Council. Yarin told the conference that
the President had entrusted him with the mission of organizing the representatives of the work-control councils around himself and the Presidential Council. Apparently, the conference's failure to respond to this offer explains why no news about it appeared on Soviet television screens.

While the conference approved of the new law's intention of increasing the economic autonomy of enterprises, it otherwise assessed it as anti-democratic, directed against self-management, favouring the arbitrary power of the administration and the ministries and holding back the processes of demonopolization and destatization. Some did argue that the work-collective councils had been subservient to management and, in any case, they were outmoded now that the government had adopted a policy of privatization that allows for more "progressive" forms of enterprise management. The new law states that enterprises are to be administered according to their charter established by their owner or owners. Since, it was argued, the work collectives are about to become the owners, why make a fuss? If they judged the council to be useful, they could decide to retain it.

But that was the rub: the majority of delegates were not at all certain that the work collectives would inherit the destatized factories. Certainly this was as far from clear in the "500-Day Plan" as it was in the USSR government's "Basic Orientations for the Stabilization of the Economy and the Transition to a Market Economy". Both allow for all forms of property and neither makes specific provision for self-management, let alone for ownership or control by the work collectives. Indeed, if one goes beyond the rhetoric and deliberate fuzziness of sections relating to property and management, their entire thrust is against self-management and for the introduction of full private property rights.

Accordingly, the conference demanded that the work-collective councils themselves be the ones to choose the appropriate form of property for their enterprises. Specifically, they should have two options: they could either become collective owners, without any payment for the enterprise, or they could decide that the enterprise remain state property that would be managed by the councils. In discussing the first option, some argued for payment, since the enterprises were built, not by the collectives, but by the entire society. Others said that property that was obtained for free would not be valued by the collective. But the majority rejected these arguments, not least because the workers simply lack the means to purchase their enterprises. As for management of the enterprises, all were agreed that under both options the administration should be hired employees of the collective and work under its supervision. The meeting declared
"impermissible the transformation of ministries into concerns playing the role of leasors or into joint stock companies". It called on the Supreme Soviet to suspend the law until it could be revised to take into account the decisions of the conference and it asked republican parliaments to ignore those provisions that contradicted the self-management provisions of the 1987 law. A new draft law should be submitted to a national discussion. The conference elected an organizing committee to co-ordinate the activities of the work-collective councils and workers' committee throughout the country and to act as their spokesperson. It was instructed to participate in revising the law and to convolve a full congress of self-management committees in December that would establish a permanent organization.

This was the first organized expression of how at least a significant part of the workers see "destatization". It made clear the underlying differences between the motives of the workers' support for market reform and those of the liberals. As noted earlier, rhetoric aside, a "full-blooded market", the liberals' ultimate goal, requires the establishment of full private property rights. The workers, on their part, support market reform and the enterprise autonomy that it would provide as conditions for a more efficient economy and real self-management by the collectives. Although the conference was silent on this, it was implicit in its position that enterprises that become the property of the collectives (there is no question for those that remain state property) could not be divided or sold.

Despite the organizing committee's meagre resources and the difficulty in finding a large enough hall, 700 delegates and 300 observers, mainly workers and engineers, self-management activists from large enterprises that together employ about seven million workers, attended the Founding Congress of Work-Collective Councils and Workers' Committee in Moscow on December 8-10, 1990. Many of the delegates had to pay their own way, and some had even to brave threats from management. But the main purposes of the gathering, to create a permanent organization of self-management committees, to reaffirm the Togliatti conference's position on the "Law on Enterprises in the USSR" and on destatization, and to develop a plan of action were achieved.

The congress founded the Union of Work-Collective Councils and Workers' Committees and elected a council of representatives from the major regions, with three co-chairmen. A heated debate took place over the issue of a warning strike at the start of January to support the congress's programmatic demands. Although a strike was not ruled out, it was decided first to try other means, in particular to act through the republican parliaments. The chairman of the USSR
Supreme Soviet, A. Luk'yanov, tried to reassure the delegates that the Soviet parliament agreed that the self-management councils should have the right to decide all the matters that affect the vital interests of the workers. He invited them to work with the parliament in revising the Laws on the Enterprise and on Property, which, he admitted, had already been overtaken by events. But not all delegates were reassured. Sergei Novopol'skii of the AZLK factory explained that "It does not depend on promises and declarations and not even on the intentions of the other side, but on our decisiveness. If they do not carry out our demands, we will declare a strike." 69

A dominant theme of the discussions was the danger of a quiet appropriation of state property by bureaucratic clans who are adapting the market to their interests. Much evidence, along the lines cited earlier in this article, was brought to support that fear. The Union's programme of immediate measures took note of the "critical situation in the country linked to the attempt by the administrative-command system to consolidate its power through the appropriation of the property belonging in common to the people and to leave the toilers in the situation of hired labourers deprived of rights". It called on the councils to convene their collectives to hear reports from the administration on its activity "including [that relating to] joint enterprises, small enterprises, co-operatives, as well as its participation in associations and concerns[...] and to stop any attempts to transform enterprises behind the back of the collective into concerns, joint stock companies, etc."

The Union's basic goals are the achievement of "legal guarantees and the realization in practice of the voluntary and free choice by the work collectives of forms of property and management", as well as the "drawing of work collectives into the process of managing their enterprises, as one of the main ways of fighting against the totalitarian system in the aim of overcoming the alienation of the toilers from power and from property and the liquidation of the cruel exploitation of the people by the barrack-bureaucratic state". Finally, the "Union unites the labour collectives in the aim of mobilizing their civic activity as a factor for the general improvement of the situation in the country, as a factor of constant positive pressure from below on legislative and executive organs, and, finally, as a factor that will block anti-popular actions and facilitate the precise and swift execution of plans and decisions in the interests of the toilers." 70

**The Self-Management Movement and the Socialist Alternative**

From a socialist point of view, the programme of the new Union is not unambiguous, and it is worth looking first at some of the potential dangers it presents. As already noted, although the inalienable and
indivisible nature of the collective's property flows logically from the programme, this is never made explicit. More importantly, there is no overall economic conception. The Union clearly supports market reform (although this too is not really spelled out), but is this reform to lead to a system defined by market relations, i.e., one in which the market dominates and dictates its logic to society, or to one where market relations are a mechanism of economic regulation and coordination subordinated to the collective, conscious will of the society? It could be argued that the movement's emphasis on enterprise autonomy and on ownership by the collective can serve as a basis for an eventual restoration of capitalism as well as for the construction of a socialist economy based upon self-management, depending on whether the accent is on the market or on the collective power of the workers. If it is on the former, there seems little more reason to welcome monopolism based upon workers' self-management than bureaucratic monopolism; both involve the pursuit of particular, corporatist interests at the expense of the collectivity.

With Gorbachev moving to the "right" (in particular his attempt to shore up the Union and the disintegrating economy through extraordinary presidential powers based upon a greater reliance on the army and KGB and his appointment of conservatives to certain top posts) and the realization among liberals that "destatization" is not proceeding as they would like (that is, in a way that would give ample influence and reward to the intellectual Clite and to a private sector not dependent on bureaucratic whims), some liberals are already toying with the idea of an alliance with the self-management movement, hoping to dominate it. Gavriil Popov has publicly warned of two possible variants of privatization: "the transfer as property to the bureaucracy (along with the trade mafia) of that which they have, so to speak, already been 'managing' so successfully; or democratic privatization, with transfer of the enterprises to the toilers". (A supporter of the 500-Day Plan, Popov no more really wants to see the second option realized than do the bureaucrats he is attacking.) Igor Klyamkin, one of the most insightful liberal ideologues, has now also come around to seeing in Gorbachev the leader of the "revolution from above". Yeltsin, on the other hand, represents for him "new [unnamed] forces"; Yeltsin wants a "different [unspecified] kind of market". Klyamkin laments the fact that nationalism cannot serve as a basis for "democracy" (i.e., for the liberal intelligentsia and its restorationist project) in Russia, as it does in the other republics. He suggests, however, that such a basis might be constructed from the struggles provoked by destatization, and he calls for "a broad bloc of employees and entrepreneurs".

The hopes pinned on this tactic of harnessing the popular
movement to the liberal programme in the Russian Republic by playing up the opposition of a supposedly democratic republican parliament led by Yel'tsin to the undemocratic central government and parliament led by Gorbachev have some basis. The tactic has a major trump in Yel'tsin's personal popularity as an outspoken opponent of the Establishment (though there are some signs that his star too might be waning). Thus, the workers of the VAZ assembly-line, whose resolution was cited above, appealed to Yel'tsin and the Russian parliament to defend their self-management rights against the central government. The programme of the December Congress called on the collectives to work through their republican parliaments and to push for the transfer of their enterprises from Union to republican jurisdiction.

Nevertheless, the liberals' attempt to win the self-management movement to their cause has slight chance of success: their market reform is no more compatible with a revolution from below and genuine self-management than that of the reformist wing of the bureaucracy. And these two groups need each other to realize their programmes, which are really not that different. It was only a little over a year ago that Klyamkin himself wrote that the transition to the market could not be achieved democratically, since the workers are too attached to the idea of social justice. Now, after suddenly "discovering" that Gorbachev, in contrast to Yel'tsin, has embraced the "revolution from above", he nevertheless still concludes (not at all disapprovingly) that a Gorbachev-Yel'tsin alliance is inevitable, though for good measure he adds that it will be a stormy union of convenience. As Sergei Stankevich, deputy mayor of Moscow and one of the leaders of the liberal "Interregional Group" in the USSR Parliament put it in the closing days of 1990: "The situation in the country is critical and by ordinary parliamentary methods, using only our newly-born and still ineffective democracy, it will be impossible to resolve our problems. Therefore, we need a more authoritarian leadership of the reform process." The liberals' so far feeble reaction to Gorbachev's shift to the "right" indicates that Stankevich's views are widely shared by his colleagues, or that, in any case, they can find no acceptable alternative to Gorbachev.

Of course, few would deny the need to restore some semblance of order in the economy. The Presidential decree reactivating and strengthening "workers' control" of trade (to be aided by the KGB!) should be seen as a populist gesture on Gorbachev's part. But this measure is not really intended to change the relations of power in the economy. The unmistakable thrust of Gorbachev's latest shift (certainly not his last — the "revolution from above" has only one possible programme: the market) is toward bureaucratic
recentralization, which in practice necessarily means strengthening the power of the economic managers vis-à-vis the workers. The All-Union Meeting of Managers of State Enterprises that took place at almost the same time as the self-management congress adopted a strong law-and-order resolution. In contrast to the workers’ congress, this gathering, held in the Kremlin's Palace of Congresses, was addressed by Gorbachev himself and received broad press coverage.77

As the liberal-apparatus alliance becomes more explicit, so the liberals' success in winning popular support by posing as the only real democrats and the most fearless enemies of the bureaucracy declines. On the other hand, socialists, who so far have remained relatively isolated from their potential social base, are the only ones who embrace the revolution from below and put forth a consistent democratic programme. The self-management movement thus opens up new possibilities for breaking their isolation. Summing up political developments in 1990, Pavel Voshchanov, political observer for Komsomol'skaya pravda, lamented "a mass shift to the right in consciousness [. . .] The discrediting of the democratic idea is one of the political outcomes of this last year." By "democratic idea", Voshchanov, of course, means "liberalism". His use of the term "right" is more ambiguous, since it can refer to conservative "defenders of socialism" as well as to genuine socialists (these two groups are indistinguishable to liberals, who are in complete agreement with the conservatives that socialism has already been constructed in the Soviet Union). But there is no evidence of a shift in mass consciousness toward the conservatives, either of the Stalinist or of the Pamyat' (Great-Russian chauvinist) type. On the contrary, the emergence of an organized self-management current demonstrates the continued strength of democratic sentiment among the workers.

The creation of the Union of Work-Collective Committees is itself a sign of the weakening of liberal ideological influence in an important sector of the labour movement. The recognition of the need for coordinating their activities indicates that self-management activists are beginning to understand the limits of a corporatist approach to their struggle for enterprise autonomy. Such an approach, which has received strong encouragement from liberals, was to a large degree a spontaneous reaction on the workers' part to their experience with bureaucratic centralism. But this seems to be changing under the impact of what they have already experienced of the market and the threat posed by the growing economic dislocation. "Certain elements very much would like to split up the workers as potential owners," explained a delegate to the Congress from the Elabuga auto factory. "When they are isolated from each other, it will be easier to manipulate them in the service of alien interests. This is one of the
reasons we called the congress. Much was said at the congress of the need for a strong central authority capable of restoring respect for laws and harmony among the republics, uniting regions and establishing stable economic relations in a unified economic space. But the congress rejected Gorbachev's authoritarian solution. According to V. Kataev, a delegate from Cheboksar:

Such an authority cannot be established from above with the aid of a club and decrees. It will be established by the work collectives themselves if they become the complete masters of the socialist property. In that case, as the resolution of the Congress states, the work-collective as owners are prepared to bear full responsibility for the results of the economic activity of their enterprises and for order in the country.

V. Adrianov, co-chairman of the Union and a mechanic on the VAZ assembly line, expressed the outlook of the self-management movement in the following terms:

The work-collective councils in the enterprises were born of the perestroika. But from the very start, they were separated from each other. Today the time has come to unite. Why? We are standing on the threshold of the market. We are not indifferent when it comes to who will get that part of the national property that will undergo destatization. The aim of our union: through common efforts, to win the possibility for every collective to itself choose the form of property, to itself become, if it so desires, the owner of its enterprise without payment. Only the workers, having become the master, the owners of the property, are capable of stopping the advancing chaos in the economy.

The programmes of transition to the market that have been adopted contain within them the danger of violation of the workers' interests. Exploiting the confusion, the administrative-command apparatus is attempting not only to hold onto the reigns of management, but to become in fact the owners of the means of production, creating concerns, associations, joint-stock companies. As for us, we are left the role of hired labour, the draught force of the economy. We cannot and simply do not have the right to allow that.

If the workers are really going to prevent this, they will have to take up the fight for a socialist path of development. For it alone holds out the prospect of genuine democratization of economic and political relations. While the liberals form alliances with the apparatus in order to push through by authoritarian means a reform that would leave economic power in the hands of a small élite, the socialists emerge as the only real democrats. In a joint declaration at the end of September 1990, a coalition of left parties and groups in Moscow condemned the official reform programmes as:

One more social experiment that would maintain power and property in a new form in the hands of the party-state bureaucracy and the "affairistes" of the shadow economy. The bosses of the [Brezhnev] period of stagnation want to change the form of their domination. [...] And once again, the burden of these transformations will fall entirely upon the shoulders of ordinary people [...] Yesterday's "irreconcilable" fighters against the privileges of the partocracy are prepared today
to defend the power of the same nomenklatura, with the only difference that now transactions will occur in cash [pod nalichnyi raschetl. [...] The slogans of justice, humanism, and charity, under which the democratic movement of the Perestroika period developed, have been replaced by calls for a cruel economy, a firm hand, and the auctioning off of the nation's wealth. [...] It is necessary to overcome the false alternative between totalitarianism and a monopoly-dominated capitalist market and to take our own path, determined by the creative activity of the people where they live and work and by the unity of their actions as a people. In this work, our sympathies lie with social, production and territorial self-management, though this too cannot be imposed from above.

Among the immediate measures proposed in the declaration are: the right of work collectives to determine independently, without purchase, the forms of property, management and self-management in their enterprises; the right of local soviets to manage land and natural resources, monitored by public organizations; the right of republics and other territorial formations to independently determine their status as well as the powers they voluntarily delegate to superordinate organizations; the abolition of presidential power; democratic opposition to the creation of authoritarian national states that refuse national and civil rights to their own minorities; the consistent introduction of full human rights, in particular the abolition of the death penalty, of anti-strike legislation, of all forms of forced labour, of the internal passport regime, and of the political police; the right of the local population through their soviets and through referenda to veto the construction of enterprises on their territory.

Such is the state of glasnost' that none of the mass newspapers would agree to print this declaration. But despite the obstacles posed by the liberal quasi-monopoly of the mass media (tempered only by the minority conservative media), the profoundly democratic nature of the labour movement, and more particularly, the appearance of an organized self-management current within it, give new grounds for optimism about the eventual development of an active, mass base for socialism in the Soviet Union.

NOTES

1. I would like to thank Allen Fenichel, Andrea Levy, Dave Melnychuk and Leo Panitch for their helpful comments on an earlier draft of this article.
4. The average industrial wage is about 260 roubles a month.
8. A related term, less frequently used, is "bandokratiya" (from the word “banda” — gang), which one economist has defined as "organized crime that has grown

Many factors, of course, contribute to the shortages, but among these, monopoly behaviour occupies a special place. For an analysis of the role of monopoly in the Soviet economy, see V. Bogachev, "Monopoliya v sovetskoj ekonomike", Ekonomicheskie nauki, no. 6, 1990, pp. 11-22.

Kurandy (Moscow), October 4, 1990.

Rabochaya tribuna, October 9, 1990.

Vechernyaya Moskva, September 27, 1990.

"Apteka gde est' vse", Nedelya, no. 41, October 8, 1990, p. 5.

G. German, "Ochered’", Rabochii vestnik (Perm’), no. 5, May 1990, p. 3.

Central Soviet television, September 21, 1990. At the same session, Sukhov also called on the leadership to be honest enough to admit that the better life they are proposing is one that will take place under capitalism. In that case, he suggested, the Communist Party’s name should be changed to the Capitalist Party.

Soviet co-operatives are often ordinary private enterprises that employ hired labour. Asked in September 1990 what would happen if the state legalized private property, Artem Tarasov, vice-president of the Union of Co-operators, answered: "Nothing. We would simply get rid of the camouflage and call things by their names. [. . .] My co-operative would become a company with private capital." Rabochaya tribuna, September 4, 1990.

Private communications from German and Italian businessmen.


Such is the finding of a Moscow research institute. Personal communication by M. Malyutin, director of the sociological service of the Moscow Soviet.


Private communications from German and Italian businessmen.

From Leningrad television, November 5, 1990. Smolnyi, once a school for girls of the nobility, was seized by the Bolsheviks and other revolutionary organizations in 1917.

Komsomol’skaya pravda, October 3, 1990.

Rabochaya tribuna, December 9, 1990.


Soviet liberals oppose "common human values", that supposedly predominate in "normal" (capitalist) societies to the "class values", which allegedly inspired Stalinism. This has prompted one Leningrad socialist to quip that the "common human values" of the liberals must surely be dollars.


V. Dudchenko and A. Karpov, “O vozmozhnykh posledstviyakh naibolee ochevidnogo i priyamogo puti k privatizatsii", September 2, 1990 (unpublished document). The author’s are leaders of the Leningrad social democrats. Karpov is a delegate to the Leningrad Soviet and a member of its economic reform commission.

Pravda, February 8, 1990. This account is based mainly on interviews and a recording of the January meeting.

Za sovetskuyu malotirazhku (Moscow), February 5, 1990.


The view is widespread among workers that "those people" do not work. Another contributing factor is the wage reform that began in 1987 and under which the salaries of technical and administrative personnel have risen significantly faster than wages. V. Pavlov and I. Yurchikova, "Novye usloviya oplaty truda", *Sotsialisticheskii trud*, no. 8, 1990, p. 89.

"Demokratizatsiya na proizvodstve . . .", p. 96.


*Nasha gazeta* (Novokuznetsk), no. 33, October 2, 1990.


This was noted, for example, by V. Golikov, chairman of the Kuzbass Union of Workers’ Committees, in his report to the Fifth Conference on September 29-30, 1990. See *Nasha gazeta*, no. 33, October 2, 1990.

This is based upon conversations and on the unpublished proceedings.

*Kazanskii rabochii* (Kazan’), no. 2, July 1990.

People close to the (official) Union of Workers of the Coal Industry claimed that the minister favoured the creation of a new trade union in order to split the workers. While there is probably some truth to this, most of the delegates to the Miners’ Congress that founded the new union were of the opinion that any further attempts to reform the old union would be futile.

A summary of this programme appeared in *Komsomol’skaya pravda*, September 29, 1990. For an analysis of this programme and a comparison with the USSR government's "Basic Orientations for the Stabilization of the Economy and the Transition to a Market Economy", see A. Kolganov, "Doloi nomenklaturnyi kapitalizm!", *Dialog*, no. 17, November 1990, pp. 41-8.

*Nasha gazeta*, no. 33, October 2, 1990.

The editors of the popular weekly *Argumenty i fakty* rejected, without any explanation, an article by one of their reporters about these telegrams. This perhaps has something to do with the fact that five members of the editorial committee are deputies in the Russian parliament, which adopted the 500-Day Plan with only one opposing vote, even though few of the deputies had seen more than a brief summary of it.
Personal communication. The Confederation of Labour was founded by the Congress of Independent Workers' Organizations and Movements in Novokuznetsk in May 1990.

From the unpublished protocols and personal conversations. At one point, Golikov tried to reassure the Donbass miners, saying that Kuzbass had helped the British miners during their strike; why think that they would not help their Donbass brethren?

According to the bulletin of the Workers Group in the Yaroslavl' Popular Front, "Many intellectual democrats talk of the need for a union of the democratic intelligentsia and the workers. It sounds nice. But what they mean in practice can be seen from the example of the Yaroslavl' Popular Front. [. . .] They rejected from the very start the idea that the Popular Front should seek a social base in the workers and they observed with gloomy apprehension from the sidelines the activity of the Workers' Group. The Popular Front not only did nothing for the organization of Yaroslavl's workers, but it simply does not want the creation of real workers' and really independent workers' organizations. [. . .] They mouth off about 'common human interests' and toss out stupidities from the tribune to the effect that 'the class approach leads to genocide.'" From Listok Rabochei Gruppy (Yaroslavl') reproduced in Rabochaya tribuna, November 7, 1990.


Rabochii vestnik (Perm'), no. 5, May 1990, p. 11.

For a brief discussion of the ambiguous self-management provisions of the 1987 law, see D. Mandel, "Revolutionary Reform.", p. 110.

Rabochaya tribuna, December 6, 1990.

Sobstvennoe mnenie (Togliatti), no. 7, 1990.

"Demokratizatsiya na proizvodstve. . .", p. 85.


Of the sundry liberal parties, Travkin's has made the most effort to court workers. Travkin himself, who rather dubiously claims he was once a worker (at present, he is a businessman and politician), regularly appears at large worker gatherings, spreading his message of primitive anti-communism. So far, he has had little success among the workers, who have generally been withholding their allegiance from all political parties.

In December 1990, Gorbachev disbanded this largely symbolic advisory council, one of whose main purposes seems to have been to co-opt potential opposition. Yarin, a metallurgical worker, has been co-chairman of the anti-liberal United Front of Toilers. He liked to say that after 30 years at the factory, all the property he had accumulated was what he was wearing. As member of the Presidential Council, Yarin enjoyed a spacious apartment, trips abroad, a generous salary, and, of course, much official honour. It did not take him long to come around fully to Gorbachev's policies. The United Front of Toilers, whose fortunes have been flagging since its foundation in the Summer of 1989 (its worker support is quite thin), recently ousted Yarin. (According to Yarin, he resigned.)

"Privatization" and "destatiation" (razgosudarstvenie) are often used interchangeably in the Soviet Union. This confusion, of course, speaks loudly.
See note 47. The 500-Day Plan gives the work collective one month to propose a form of property for the enterprise, but the decision remains that of the state authorities. It also allows that 10% of the stocks "may be transferred" (this apparently also depends on the discretion of the authorities) to the enterprise for sale or transfer on preferential terms to members of the work collective (not to the collective as a group).

This account is based upon personal communications from participants and Rabochaya tribuna, September 9, 1990.

Rabochaya tribuna, December 8, 1990. Parts of this account are based upon personal communications. The still incomplete representation at this congress was explained by the organizational committee's limited resources. The original decision had been to invite delegates only from regional unions of work-collective councils. But since these had not yet been established everywhere, requests from individual councils were accepted. But the organizational committee still had no bulletin, and not all councils learnt of this change.

These are a mechanic-assembler from VAZ, an engineer from the new Elabuga auto factory, and the chairman of the work-collective council of the Moscow Kauuchuk rubber factory.

Rabochaya tribuna, December 12, 1990.

Unpublished document.

Radzikhovskii, " Kapitalizm. . ". Of Popov, Moscow wags say that "he is capable, even very capable, indeed capable of anything".

I. Klyamkin, " Oktyabr'skiy wybory prezidenta ", Ogonek, no. 47, November 1990, p. 7. Klyamkin uses the term " rabotniki " (very roughly translated as " employees "), which is even less socially defined than " trudyashchiesya " (toilers), the term usually preferred by liberals. Use of the word " rabochie ", workers, is generally shunned, since it might imply the existence of separate working class interests.

In the view of A. Kolganov, a Marxist economist at Moscow University, "the '500 Days' are based upon a bloc between the 'new rich' and the party-economic bureaucracy on terms dictated by the 'new rich'. The Union programme calls for a smoother, less painful path of transformation of the bureaucracy into 'new rich', naturally, on its own terms, not forgetting to toss a little something to the people so that it, God forbid, will not interfere in this process". A. Kolganov, " Doloi nomenklaturnyi kapitalizm ", Dialog, no. 17, November 1990, p. 45.


Rabochaya tribuna, December 8, 9 and 11, 1990.

Rabochaya tribuna, December 6, 1990.

Ibid.

Rabochaya tribuna, December 8, 1990.

For a French translation of this document, see Inprecor, no. 318, November 9, 1990. The signatories included representatives of the Socialist Party, the Green Party, the Confederation of Anarcho-Syndicalists, the Marxist Platform in the CPSU (which has since split), the Committee to Aid the Labour and Self-Management Movements, the Social-Democratic Party of the Russian Federation, and "Moscow Memorial". (The last two organizations have socialist as well as liberal currents.)