ECONOMIC REFORM AND DEMOCRACY IN THE SOVIET UNION

David Mandel

By far the most original aspect of the 'perestroika', the restructuring that is occurring under Gorbachev's leadership, is the explicit linking of economic reform and democratization. Gorbachev told the January 1987 plenary session of the Communist Party Central Committee that 'democracy is not simply a slogan; it is the very essence of the perestroika'.

Except perhaps for the 'Prague Spring' of 1968 (and even here this was very much the work of forces from below), no other attempt at economic reform in the Soviet bloc has envisaged real change in the political system, characterized by the monopoly of power in the hands of the party-state bureaucracy. The opposite is actually closer to the truth: previous reforms were conceived largely with a view to averting pressures for political change.

The prime motive behind the perestroika is, of course, the need to improve economic performance. The Soviet leadership has recognized that the existing system of economic planning and management, the hyper-centralized 'command system', originally established under Stalin at the end of the 1920s, is the basic cause of the economy's increasingly poor performance. This system, despite its terrible wastefulness of human and material resources, did succeed in rapidly industrializing the backward, overwhelmingly peasant society that the revolution had inherited from Tsarism. But it has long since become an obstacle to further progress.

In the 'command system', the vision, if not necessarily the actual practice, is that of a single immense enterprise in which the main lines of dependence, bargaining, and circulation of information are vertical. Material resources are allocated by the centre, which also fixes obligatory production targets for the enterprises. This is a system that encourages waste, gives priority to quantity over quality, holds back technological innovation and fails to motivate adequately the labour force.

Under the reform, whose final outlines are still far from clear, but which is to be definitively in place by the start of the thirteenth five-year plan in 1991, the accent is to be on 'economic' rather than 'administrative' means of management, ie. on horizontal rather than vertical co-ordination, with broad autonomy for the enterprises and a central role for the market mechanism. The goal is to end day-to-day detailed central tutelage over
the economy. The idea, we are told, is not to abandon planning, but to make genuine long-term planning at last possible through the central manipulation of economic levers, such as interest rates, taxation, centrally fixed norms, subsidies, controls over foreign trade, and a limited number of key prices. Accordingly, the role and scope of centrally allocated resources and of centrally fixed targets is to be greatly reduced.\footnote{8}

II

What is the relationship between this economic reform and democratization? The January 1987 issue of the Soviet journal EKO (Economy and the Organization of Production), published in the academic centre of Novosibirsk, carried an article entitled 'The \textit{Façade} and Kitchen of the "Great" Reform', under the rubrique 'Pages from History'. Its author, economist G. Popov, analyzes the process, as well as the causes for the failure, of the emancipation of the serfs by Tsar Alexander II in 1861. He begins with a quote from Lenin: '1861 gave birth to 1905', ie. the failed reform was a central cause of the revolution. In explaining the failure, Popov cites the nineteenth-century revolutionary, Nikolai Chernyshevskyi: out of economic and military necessity, 'the state was forced to undertake a programme which was foreign to it, a programme based upon principles that contradicted the very nature of that state'. And he concludes by citing Lenin's own conclusions:

\begin{quote}
The main lesson and the main experience to be drawn from the reform, according to Lenin, was the need to mobilize a movement of the masses. It was necessary to seek out that social force that was most interested in the most progressive variant of the transformations. . . to arouse it and to base the reform on its support. . . 'Reforms carried out by feudal landowners cannot help but be feudal in nature'.\footnote{9}
\end{quote}

This article was clearly intended as food for thought about the contemporary reform process. What is noteworthy (and explains the indirect, implicit nature of the commentary) is the revolutionary character of the author's conclusions.

Strikingly similar conclusions, based upon Hungary's twenty years of experimentation with the 'market reform', have recently been published by another Soviet bloc economist, Janos Kornai, who argues that the move away from the 'command economy' to the 'regulated market', has been realized only to a limited extent. In the state sector of the economy, by far the dominant one, 'vertical dependence on a superior bureaucracy dominates horizontal dependence on the market'. And while even the partial change that has taken place has resulted in greater responsiveness to demand and more attention to quality and technological progress, the main improvements in the economy's performance are the result of
liberalized policy in the co-operative and private sectors. However, in this area, it is important to note the role played by a significantly extended work day: 'In a large number of families, members are working to the point of physical and psychological exhaustion.'

Kornai, like Popov, offers a political ('class') explanation for the failure to introduce consistent structural reform:

Power creates an irresistible temptation to use it. A bureaucrat must be interventionist because that is his role in society; it is dictated by his situation. What is now happening in Hungary with respect to detailed microeconomic regulation is not an accident. It is rather the predictable, self-evident result of the mere existence of a huge and powerful bureaucracy. An inherent tendency toward re-centralization predominates. The pioneer reformers wanted to reassure all the members of the bureaucracy that there would be ample scope for their activity. Their intention is understandable. The reform is a movement from 'above', a voluntary change of behaviour on the part of the controllers and not an uprising from 'below' on the part of those who are controlled. There is, therefore, a stubborn internal contradiction in the whole reform process: how to get the active participation of the very people who will lose a part of their power if the process is successful? The reassurance worked too well in the Hungarian case: the bureaucracy was not shattered. The number of people employed in the apparatus of economic administration has changed hardly at all.

Resistance to the reform within the different administrations has become a major theme of the Soviet press. The reports are frank and do not hesitate to name names. For example, in December 1986, Izvestiya ran a series on the engineering industry, which was supposed to be in the process of major reform. In reality, little had changed:

The perestroika in the ministry so far has been of a halfhearted character and has not, therefore, yielded any noticeable end results whatsoever. In the style of the Ministry of Heavy Machine Construction, as before, direct methods of management predominate that go against the course adopted toward the strengthening of economic levers of management. These problems... are characteristic not only of heavy and transportation machine construction. Many branch industries are swamped in current work; petty tutelage over enterprises substitutes itself for the solution of strategic tasks.

Resistance is also common at the enterprise level itself. 'Some time ago,' wrote Izvestiya on May 5, 1987,

restrictions were lifted on combining jobs and operating with a reduced staff. The entire amount of wages thus saved is to be distributed among the members of the collective. Many other elements of wage levelling have also been abolished. But very few enterprise managers have availed themselves of the new opportunities. In fact, some have suggested to the USSR State Committee on Labour and Social Issues that it restrict such payments.
There is, of course, a certain amount of illogic and/or bad faith in these reports of bureaucratic opposition to reform. For as long as the overall structure of the economy remains basically unchanged, the net effect of these partial reforms (which Gorbachev himself qualified as 'insignificant and not radical' in his speech to the June 1987 Central Committee plenum\textsuperscript{11}) is often merely to make life more difficult for administrators in fulfilling their assigned tasks. These attacks reflect the contradictory nature of the reform process, which is far from clearly worked out.

At the same time, however, the harsh criticism of 'bureaucratism' and 'the bureaucracy' is aimed at softening up real and potential political opposition. For there are indeed basic interests, common to broad strata of the 'administrative class', that are threatened by the reform. And although its members are not organized politically to defend these interests, they nevertheless constitute the critical source of opposition to the perestroika and, in a crisis at the higher levels, they would have little trouble finding vigorous defenders amongst a certain part of the politburo.

The most fundamental interest is job security: in the bureaucratic system, privilege flows not from property but from administrative office. The vast personnel changes that have so far marked Gorbachev's tenure and the renewed accent on performance have already put into question what in practice had become a right under Brezhnev. (The establishment of this 'right' goes far to explain the unprecedented spread of official corruption under the latter's rule.\textsuperscript{13}) But the economic reform, if carried through at all consistently, would also bring severe cuts in the size of administrative staff. These would affect, first of all, the very numerous middle levels of the economic bureaucracy—the dozens of industrial branch ministries and state committees. These people would not only have to re-train, suffering in the process loss of power, prestige and income, but many, if not most, would have to leave the capital. This would perhaps be the most cruel blow of all in a country where the material and cultural abyss between the capital (and to a lesser extent Leningrad and the larger republican capitals) and the provinces is so profound.

Politically much more significant, however, is the perspective loss by the party apparatus—again, particularly its middle levels: republican, regional and city committee secretaries and their staffs—of what has been its main function for nearly sixty years as territorial economic coordinator, supervisor, pusher and fixer.\textsuperscript{14} This economic role is an absolutely critical one in the highly centralized 'command economy', with its chronic imbalances and shortages, and it has no doubt played a central role in the party apparatus' continued predominance within the state over the decades.

Over the past months, the party apparatus has been repeatedly told that it must give up its economic managerial, 'dispatcher', role. 'The party organ must act as an organ of political leadership... and not as an organ
of economic management,' admonished Gorbachev in a meeting with Estonian apparchiki. At the January plenum he was even more explicit: 'It is a matter of improving the methods of party leadership so as to exclude any supplanting of, or petty tutelage over, the economic organs. . . But some party leaders have trouble with the perestroika—they are unable to give up the dispatcher functions that do not belong to the party, the desire to decide all questions for everyone, to hold everything, so to speak, in one's fist.'

Another interest at stake is the nomenklatura mechanism of cadre selection. Under the reform, party apparchiki and higher economic administrators stand to lose at least a good part of their power to appoint managers. This is a necessary measure if managers are to be more interested in efficiency than in pleasing superiors. (At the same time, it is not at all clear even that most enterprise managers would welcome this, as they are used to the old system, which despite its pressures, may often seem more secure to them.)

The power of appointment has been a crucial instrument for the construction of power bases and the accompanying accumulation of privilege and it will not be conceded easily. The resolution adopted by the January plenum, convened specifically to discuss and reform cadre policy, did not take up, except in the most general way, Gorbachev's proposals for the election of party officials, which included a secret ballot and multiple candidates. For the time being at least, this can be taken as tantamount to their rejection. (Similar proposals played a central role in Khrushchev's downfall.) Gorbachev did not hide the fact that the reparation of the plenum, postponed three times, had been very difficult.

The (at least partial) replacement of appointment from above with election from below, along with the accompanying freedom to publicly criticize officials without fear of retribution, point toward an end to the unfettered exercise of power. And this, in turn, inevitably entails an attack on bureaucratic privilege. This is so because these privileges in Soviet-type systems have never secured legitimate status (Soviet Marxism, the official ideology, despite its bastardization, still retains its basically democratic and egalitarian character) but take the form of an abuse of power. This theme, too, has become prominent in the press. In February, Moskovskaya pravda published a probing report on the capital's special foreign language schools. These, it was stated, cater almost exclusively for the bureaucratic elite. This exposé of 'these breeding grounds of the gentry', as one reader put it, could not help but raise the more general issue of bureaucratic privilege. Among the dozens of letters the paper received, a common theme stood out: 'A system has taken shape of by no means inoffensive health, recreational, trade and service institutions that are . . . the domain of the chosen few—a system that is very convenient for the high-ranking officials themselves, and especially for their entourage.'
Although this is clearly not at present the intention of the leadership, what is potentially at issue—and this is surely keenly felt by a good part of the bureaucracy—is the latter's very existence as a 'class'. This is certainly the aim of the most radical partisans of the perestroika. In an interview that merits quotation at length for its implicit 'Trotskyism', A. Butenko, Professor of economics at Moscow University, told Moskovskaya pravda:

In the course of our past development, a retarding mechanism was formed. Its roots lie in serious defects of our institutions of socialist democracy and are directly linked to phenomena of the 1930s and 1940s that occurred in the conditions of Stalin's personality cult. Restructuring so far has proceeded slowly because the very same forces that blocked the implementation of the decisions of the Twentieth Congress of the CPSU [ie. de-Stalinization]... do not want changes and are now too impeding them... What is involved here is something that Marx, Engels and Lenin warned about but that was dropped in subsequent oversimplified interpretations of the construction of socialism. For the working class that has come to power, bureaucratism constitutes an enormous danger... Like Marx and Engels, Lenin also believed that as long as the division between the functions of management and execution existed, and there were managers and managed, there would be a danger of bureaucratism. But these Leninist ideas were condemned to oblivion by Stalin... Power was concentrated entirely in the hands of the administrative-bureaucratic apparatus he had created... The trials and repression of the 1930s were the completion of the formation of the Stalinist regime, which destroyed those who defended the system of management... based upon Leninist ideas and traditions. The Twentieth Congress of the CPSU gave the bureaucracy a terrible scare, but afterwards active forces closed ranks and succeeded in stopping the process of purging our society of bureaucratism.

At a roundtable discussion on the economic reform, writer G. Lisishkin was even more blunt:

What does our society need most of all today? I think we have to change the division of labour that has crystallized, where one part of the population is narrowly specialized in the production of national wealth and the other in disposing of it. What is this 'other part'? The exceedingly large administrative apparatus at all levels of management and in all spheres, including, not only the economy but in ideology, culture, science, leisure, health, etc... All this hangs around the neck of those who produce the wealth. For clarity's sake, in speaking of the unproductive sphere, I have in mind, of course, not the teacher, but those who hinder the teacher in teaching; not the doctor, but the superfluous bureaucrat of the Ministry of Health, not the artist or actor, but the numerous ones 'above them'.

'The question poses itself in the following manner,' Gorbachev told the Trades Union Congress in February 1987, 'either democratization or social inertia and conservatism. There is no third way.' In thus intimately tying economic reform to democratization, Gorbachev indeed appears to have concluded that if his régime continues to lean upon the bureaucracy as its principal basis of power, the reform is doomed. The transformation
of the social basis of the state is the only genuine meaning of democratization. If it were to occur, it would amount to a revolution.

The term 'revolution' and 'revolutionary changes' have indeed been used by Gorbachev and other official spokespersons to characterize the perestroika. A theoretical article in Pravda of March 13, 1987 entitled 'The Revolutionary Essence of the Renewal' analyzed the 'retarding mechanism that has come to exist' in Soviet society, and particularly since the October 1964 Central Committee plenum (that consecrated Khrushchev's fall and the appointment of Brezhnev, who used the forum to announce the policy of 'respect for cadres'). Its author, G. Smirnov, seeks to lay bare the 'substance of the contradictions that have come to a head and of the antitheses that are in contention. ... [in order to] grasp the revolutionary essence of what is transpiring'. It turns out that the causes of the braking were 'subjective', i.e. political, the conservative and anti-democratic policies of the post-1964 leadership, policies based 'on weakness of will and incompetence, and in part on individual and group egoism. Departmental and localist tendencies, supported by bureaucratic and technocratic elements who were guided by their immediate interests, did great harm. Existing practices and existing forms and methods were to their liking.'

So far so good. But then Smirnov attempts to square the circle:

Today's society does not have antagonistic classes whose elimination, and the destruction of whose ideology, would constitute an essential element of revolution. ... The subtlety of this problem lies in the fact that we are not talking about a social and political revolution, in which the foundations of the old system's economic relations are destroyed and a fundamentally new political regime is established, expressing the interests of the victorious class. ... We are not talking about dismantling state power, but about further strengthening the socialist state of all the people... developing popular socialist self-government.

Admittedly, the Soviet system is a highly contradictory one, and the bureaucracy, as Trotsky and other Marxists have argued, is not a class in the historical sense of the term. But if one were to accept Smirnov's conclusions, why speak of revolution rather than reform?

Smirnov, writing in the authoritative central organ of the party, was expressing the current official position. For the same ambiguity is often characteristic of Gorbachev's own pronouncements on this theme. After going on for hours at the January plenum about the absolute necessity of democracy, he reassured the assembly (a gathering of the leading figures of the bureaucracy) that 'it is not a question, of course, of any break whatsoever in our political system'. One can ask: was he speaking of the political system as it is officially portrayed or of the system as it really functions? For surely one cannot breathe life into the former without destroying the latter.

Considering his past and the circumstances of his rise to power, it
would require something of a leap of faith to accept Gorbachev as a revolutionary. Further we shall see that the democratization over which he is presiding, so far at least, is ambiguous and limited, aimed at weakening bureaucratic resistance by mobilizing controlled, popular pressure for reform and at reducing the dependence of managers on their bureaucratic superiors by allowing a certain amount of control from below. But not only will such a partial democratization do no more than weaken somewhat the power of the bureaucracy; it is also unlikely to create the necessary political commitment in the working class toward the economic reform. This is the other side of the link between economic reform and democratization, and we therefore must now turn to this class, which constitutes today over 60 per cent of the Soviet population.27

In the 'totalitarian' vision of Soviet society, a vision that is perhaps undergoing change but which still predominates in the West, the workers are atomized and totally dominated by the absolute state. The reality, however, is much more complex. Freedom of association has indeed been in practice absent in the Soviet Union (though one should be wary of exaggerating its practical significance for workers in the capitalist states). But Soviet workers are far from atomized, at least on the workshop level, where they possess certain rights and means that allow them to defend their most immediate material interests.28 This is possible mainly thanks to some key traits of the 'command economy'.

There is, first of all, full employment—or rather, the scarcity of labour (despite local pockets of surplus).30 Article 40 of the 1977 constitution affirms the right of citizens to work.30 However, the real force of this provision is difficult to assess directly because the 'command economy' tends to maintain a chronic labour shortage. The sum of enterprise labour-force plans has regularly exceeded the aggregate labour-force plan for the entire economy (both before and after corrections). To the Soviet manager, this extra labour is without cost. Rather, the opposite is true. It offers many advantages: management's incentive funds grow in proportion to the size of the wage fund, and the extra workers make it easier to meet plan targets in face of the irregular working of the material supply system, the resulting arhythmic pace of work, and the periodic commandeering of the enterprise's workers by outside authorities to help out elsewhere in the economy, in agriculture, construction, vegetable and fruit depots, etc., the so-called 'sponsor's jobs' (shefskie raboty).31

For related reasons, workers (but not office and technical personnel) enjoy de facto job security: although from a strictly legal point of view, they can be laid off for reasons of redundancy, in practice this almost never occurs.32 (This has not been the case for political offenses, but local
conflicts between workers and management are not generally viewed as political by the regime.) Over the years, workers have thus come to see job security as a right.33

This situation creates a balance of power within the enterprise favourable to the workers: management needs them; while they can easily find another job, where conditions will perhaps be more to their liking. Thus, despite the absence of trade unions that would defend them, the workers can vote with their feet (change jobs) and they do so at a very high rate. Moreover, the informal use of strikes and other collective means of pressure on the workshop level is quite frequent, especially in heavy industry.

A second characteristic of the 'command system' is the basis of common interest—or, more precisely, collusion—that it creates between workers and enterprise management in the face of pressures from the central authorities. The Soviet enterprise is very different from the capitalist one, where management seeks to maximize profit by intensifying the exploitation of the labour force, ie. by keeping wages low and speeding up work. This is a management interest that workers under capitalism are able to verify every day of their working lives. Soviet workers, on the other hand, tend to have a much more ambivalent attitude toward management. While they do see management (and, to a lesser extent, technical personnel) as a group apart, this division is only partly based upon perceived conflicts of interest, ie. discrimination in favour of managerial and technical personnel in the allocation of social benefits (eg. subsidized vacations, apartments) and occasional arbitrary treatment of workers (eg. by assignment to 'less profitable' jobs, forced overtime) etc. But for the Soviet worker, at least as important a difference lies in the nature of their work, which is dirty, physically demanding and performed standing, while the 'white shirts', as they are called, sit at their desks in clean offices, sipping their ever-present tea. Workers often express the view that, 'those people do not work'.

Thus, while in their minds 'we' are the workers and 'they' are management, nevertheless, because of the collusion that regularly occurs, the workers' particular attitude to management is often cast in terms of the subjective question of whether the director is a 'good person': does he try to be fair with the workers and treat them as people? Unlike workers under capitalism, Soviet workers often say that management does not push them terribly hard (it is readily admitted that one could, in fact, work much harder) and that managers try to get them the best wage in the circumstances (which are largely determined by the centre).

The collusion between workers and management in the 'command economy' can take various forms. But its most striking manifestation is the pripiska—the 'writing in' of fictitious work and of fictitious output. This serves the interests of both parties: the worker, who earns more than merited by his or her actual work; and the director, who fulfills and over-
fulfills the enterprise's plan targets. It is 'only' the economy as a whole that loses. But then, in the 'command economy', that is solely the concern of the central authorities. Under Brezhnev, the *pripiska*, could account for up to 40 per cent of a worker's wage.34

In the absence of terror, abolished after Stalin's death, the result of these two traits of the 'command economy'—labour shortage and worker-management collusion—is a constant upward pressure on wages, whose growth has borne little relationship to productivity rises, despite the insistence of the central authorities that wages follow increases in productivity. The situation is similar in relation to wage differentials, which are relatively small within the same industry, this too in the face of constant denunciations on the part of central authorities of *uravnilovka*, levelling.

A third characteristic of the 'command system' is the importance of the social wage, ie. those goods and services that are provided with little or no relationship to the labour furnished: the heavily subsidized basic food items, rents, utilities, public transport, medical care, education, etc. According to a recent Soviet estimate, for each rouble earned as wages in 1965, 46 kopeks were distributed in the form of free or subsidized goods and services from public consumption funds. In 1970 the latter figure was 51 kopeks, in 1975–56 kopeks, in 1980–58 kopeks and in 1984–69 kopeks.35 Even if the quality and quantity of these goods and services are often mediocre and their provision racked with corruption, they have nevertheless provided a margin of security for workers, the significance of which should not be underestimated.

In sum, under this system, the manager has neither the interest nor the means that the capitalist manager possesses to ensure the 'efficient' or 'economic' utilization of labour—in other words, to constantly intensify the exploitation of labour. The workers, on the other hand, possess informal means that allow them to defend their most immediate interests.

In explaining the urgent need for structural economic reform that would introduce indirect, economic means of planning and management and give broad autonomy to the enterprises, Gorbachev told the January plenum:

The restriction of the economic rights of the enterprises and trusts has had serious consequences. It has undermined the material basis of incentives, prevented the attainment of superior results, led to the decline of the economic and social activity of the population, to the decline of labour discipline. . . There have been serious infractions of the socialist principle of distribution according to work. . . A mentality of dependence has developed. In people's consciousness, the psychology of levelling has taken root. The break in the link between the measure of labour and the measure of consumption not only distorts the attitude toward labour but leads also to the distortion of the principle of social justice—and that is already a question of great political importance.36
The economic reform, if introduced in a more or less consistent manner, would thus transform the workers' situation. The enterprise directors, subject to the pressure of market forces, would be motivated to produce more efficiently. A principal means to this end would be to economize on labour costs. Enterprise rights in setting wages would be significantly broadened. Wages would be tied much more closely to concrete results and to the performance of the enterprise, and wage differentials would widen accordingly. Price subsidies and other aspects of the social wages would be drastically reduced relative to wage income. The chronic shortage of labour would end. There is also talk of the appearance of unemployment, though for the foreseeable future this would probably be only of an episodic and local nature. More significant would be the loss of job security. Many workers would be forced to re-train and to move. A law soon to be adopted provides for three-months average national wage for workers forced to seek new employment. Until now there has been no provision for the able-bodied unemployed.

In the press and scientific literature, these measures are often discussed under the rubrique of 'social justice'. Thus, for example, the general changes listed above were advocated in an article by the eminent sociologist, Tatyana Zaslavskaya, entitled 'The Human Factor and Social Justice', published in the November 1986 issue of Kommunist, the theoretical journal of the CPSU. In these discussions, 'social justice' tends to be given a particular meaning: if worker A produces better results than worker B, worker A's real income should be higher. This, so it is argued, is generally not the case at present.

In the Soviet setting it is not hard to understand the reasons behind the emphasis on strengthening the link between work and reward and on eliminating wage levelling. But it is, nevertheless, striking that other concerns usually implied in the term 'social justice' are given little more than lip service: the motivation of work through the strengthening of social solidarity based upon real participation in decision making and the provision of a decent minimum for all, regardless of accidental circumstances (such as physical infirmity, family responsibilities, market conditions, etc.) in which the worker may find her or himself. Thus, economists Rutgaizen and Shevnyakov begin their article 'Distribution According to Labour': 'Until recently the improvement of distributive policy was approached mainly from the viewpoint of solving urgent tasks of public welfare. Now we need to considerably strengthen its role in the intensification of production.' The entire article is devoted exclusively to developing the second sentence. The fact is that almost no serious attention is being paid in the press or scientific literature or in practice to the development of the social measures necessary to soften the economic and social blows that would inevitably be the immediate experience of a very large part of the population.
The point is not so much whether the envisaged reform is 'anti-worker' or not (though one can certainly ask if there are not other variants of reform that would better correspond to the workers' aspirations). For the 'command economy' is certainly not pro-worker, despite those, in both East and West, who do not hesitate to describe the Soviet workers under the existing system as privileged. As we have seen, these 'privileges' are in reality a defensive adaptation to a system that has deprived workers of their political rights. They are, in a certain sense, substitutes for political power, especially the right of control over the management of the nationalized economy, as well as for trade union rights.

Viewed from this angle, the workers' mistrust of a reform that, at least in the short run, would reduce them to the situation of workers under capitalism, but without giving any real guarantee that they will ultimately benefit from it, is understandable. And up until now, their experience in the factories under Gorbachev has been on the whole negative: tightening of discipline, intensification of labour, reduction of income and upwardly creeping prices—without significant improvement in the supply and quality of consumer goods.

In an interview with Izvestiya, the Director of the Institute of Socio-logical Research of the USSR Academy of Sciences, V. Ivanov, generalizing the results of surveys conducted in 120 enterprises throughout the country, stated that, in contrast to the sweeping changes in the sphere of intellectual creation, little that is good has changed for workers in the sphere of material production. Right now, the majority experience the restructuring only as growing pressure at work. . . . The consumer market remains unchanged and, moreover, last year, the [rate of] increase in the production of consumer goods was lower than the rate for 1985.

A woman worker in a ferro-concrete goods factory in the town of Kurgan described her conditions in the following terms: at work—a non-existent ventilation system; preferential treatment for administrators in the distribution of benefits; a trade union committee that lies, and has at heart interests other than those of the workers; outside—an apartment building whose roof leaks; whose elevator does not work; that is cold in winter; and public transport so overcrowded that it takes an hour and a half to make the four kilometre trip to work, and even so one has to fight to squeeze in. 'Excuse me,' she concluded

for writing what I think. I am not able to express all at once everything that is in my heart. We have been storing up insults for too long, while remaining silent. Now life has taken a new turn. We see changes for the better. We want to believe that there will be more. Election of administrators, state product acceptance—all this is correct and necessary. But I am afraid that behind the restructuring of production, the restructuring of everyday life might be forgotten. To be honest, for me the main thing is my home and my family, my children. I work for their sake. Believe me, the majority of women think the same. And if all around they are saying: 'We are restructuring,' and in the homes it remains cold as before, and
if you cannot squeeze into the public transport, and cannot buy anything in the stores, then for us it turns out that there are no changes. That is what we think about. In a word, we want not only to work, but also to live differently than we have until now.43

Gorbachev is aware of this problem. The political aspect of the perestroika is aimed, in part, precisely at creating in the workers the political commitment necessary for the success of the reform. For example, Gorbachev explained that the election of enterprise directors by the workers is a necessary measure: 'The well-being of the worker will depend upon the abilities of the managers. The workers should, therefore, have real means of influencing the choice of director and controlling his activity.'43 And more generally: 'We need the maximum democratization of the socialist system so that the individual feels himself master and creator... Only a person who feels himself master in his house can put it in order.'44

How far has this process actually gone? Examples of important political reforms include the strengthening of legal guarantees against abuse of power by officials, and the introduction of a real secret ballot (as opposed to the current practice, which renders it purely symbolic) and a choice among candidates nominated from below in Soviet elections. There has been talk of empowering the Soviets vis-a-vis their executive committees, whom the former will genuinely elect and control. There has also been a certain amount of encouragement to independent individual and collective initiatives in economic and social life, including the appearance in some of the larger cities of clubs of various sorts that have a definitely political aspect. There is currently discussion about the creation of a national organization of these clubs, which have taken up such varied issues as police brutality, protection of the environment, the economic reform, assistance to the elderly, the nomination of candidates in Soviet elections, labour rights, disarmament.

The regime has also shown a new toleration, and even given some encouragement, for popular struggles. Most of these, so far, have involved issues of protection of the environment and historical sites. These seem to have involved mainly intellectuals and student youth. One of these movements succeeded in stopping a project to divert northern-flowing Siberian rivers into the Caspian Sea. Another, which was marked by spontaneous mass demonstrations, failed to prevent the destruction by Leningrad authorities of the Hotel Angleterre (where the poet Esenin committed suicide in the 1920s). Both were written up in the central press as struggles against bureaucratic narrowness and authoritarianism. The most significant political protest so far, however, has been that of the Crimean Tartars, deported by Stalin after the war, whose struggle for the right to return at last seems to be approaching a critical point.
Most spectacular, however, has been the unfettering of journalism and scientific and artistic work. This is the one area of Soviet life where changes have been radical and immediately visible to the ordinary citizen. Almost no aspect of Soviet society and history have remained untouched, including, for example, bureaucratic privilege, abuse of power, Great-Russian chauvinism, ethnic discrimination, drug abuse, prostitution, Afghanistan, corruption in the military, deterioration of the health system and falsification of medical data, Stalin, Trotsky, the Purges. (One crucial problem that has so far received relatively little attention is the situation of women.)

While the significance of these political changes should not be underrated, especially in the Soviet context, socialist democracy still remains very much a promise, and measures to implement it are often vague and ambiguous. For example, a collective letter from a group of citizens of Smolensk offered the following blunt evaluation of the experiments and proposed changes in elections to local Soviets: these 'changes are so timid, that they cannot hope to solve the problem of development of democracy and smashing the retarding mechanism.' Similarly, the draft Law of the State Enterprise is very obscure on the actual powers of decision of the worker collectives and their elected councils. Even the clearly stated right to elect managers is subject to 'confirmation by the superior organ.' So far, the experience with such elections has more often than not been the 'parachuting' of candidates from above. (Of course, even under the existing laws, the workers have broad powers in the enterprise, but in practice the exercise of these powers is constrained and limited.) Nor did the Congress of Trade Unions in February 1987, despite the more frank and critical tenor of the speeches, create the impression that the trade unions were about to transform themselves into organizations for the defence of the workers' interests against management. The Komsomol (Communist Youth League) Congress, held earlier this year, showed itself no more eager than the January Party Central Committee plenum to enter the path of internal democratization.

More importantly, the political aspects of the perestroika already introduced in the capital and about which one reads in the central press, are experienced very unevenly throughout the rest of the country. Outside of Moscow, implementation of political reform measures depends very much upon the interests and interpretations of the local authorities. In many areas the character of the mass media has only minimally changed, and the local press has been known to reprint articles from the central papers in altered form. As a result, for a large part of the population, even the political side of the perestroika is still often just so many words.

It remains to be seen, therefore, if the democratization that Gorbachev is willing or capable of introducing will go far enough to win over a working class, whose scepticism is based upon long decades of bureaucratic
despotism. According to Ivanov of the Institute of Sociological Research, the 'inertia and passivity' of the workers is one of the major factors holding back the restructuring. In a survey of workers of the Moscow Sanitary Equipment Factory, a third of the respondents stated that they 'would wait it out until the restructuring became more clearly defined before deciding whether to adhere to it or not'. Given the tremendous media and other official pressure in favour of the perestroika, it is safe to assume that the workers who expressed reservations were only the bravest of a larger group who feel the same way. In another survey of Kazakhstan enterprises, 40 per cent of the respondents favoured maintaining the old wage system. For the near future, at least, the mass of workers are, on the whole, likely to remain suspicious of, and even opposed to, the economic reform, even if this opposition is of a veiled and passive nature.

All this means that Gorbachev's reform lacks a solid social base either in the bureaucracy or among the workers. The only social stratum in which there is significant enthusiasm for it is the intelligentsia. It has benefited the most in its professional activity from the liberalization so far. Moreover, its relative material situation, which had declined since Stalin's death relative to that of the workers, is improving, albeit too slowly for many. But it would be an error to overestimate the independent political weight of this group. The intelligentsia alone is certainly no match for the bureaucracy. Moreover, a significant element of the intelligentsia has lived quite comfortably under the old system. Some scientists are dissatisfied not only with the limited material incentives offered so far, but also with the effects of the recent recertification of scientific personnel. Many others, despite their critical attitudes, fear too abrupt a change, which might, God forbid, draw the masses onto the political stage. The historian, Stanislav Tyutyukin, told Izvestiya that in his field the restructuring has involved a great deal of demagoguery and some settling of personal accounts, and the effects have not always been beneficial.** (Conversations with artists indicate that the situation is not very different in the area of artistic creation.) But his most telling observation was that

in historical science—and, most likely, in science generally—the 'fence-sitters' still predominate over the active champions of restructuring, although, of course, verbally everyone is for it... Some people have done a rather good job of adapting to the old conditions and they are frightened by the openness (the emperor might turn out to be naked), by the prospect of more intensive, demanding work... Others, and there are very, very many of them, are waiting for authoritative explanations and directives, as they are not used to independent thought and action. A third group feels that, for the time being, it is better 'not to stick one's neck out'—they could turn out to be fools.
The middle-term perspective for the Soviet Union is in all probability one of political crisis, what Lenin called a 'crisis of the top', ie. within the bureaucratic regime itself. For the opposition here to the perestroika is very strong, even if at present the reformers have the upper hand and all bureaucrats declare themselves for the renewal, while in practice many are merely biding their time and passively sabotaging.

The crisis will ripen at the moment it becomes possible to paint the perestroika as a failure. And that moment will come, and this only partly because the economic reform, judging by past Soviet and East European experience, will lack coherence. Although it is too early to judge, it now appears that the old 'command system' will be weakened, but not dismantled, and the new one foisted onto it. Thus, for example, in closing the public discussion in the press of the draft 'Law of the State Enterprise', Pravda acknowledged that it 'only timidly opens the horizons on tomorrow; it obscurely shows the path for the creation of genuinely efficient methods of management. Many of our readers justly noted that different authors of the draft had at times contradictory views' some rush boldly ahead, while others try to hang onto the old and familiar, even though outdated.

The Hungarian experience is relevant here. The current head of the Hungarian State Planning Commission spoke to a Soviet journalist of the nature of the crisis in his country a few years after the reform was first introduced:

First of all the Czechoslovak events and the ideological campaign that followed caused some fear accusations of wanting to take Hungary along the path proposed by Ota Šik... Then the jump in world prices caused us great harm. The reform's opponents exploited the unfavourable situation and lifted up their heads... It is a human question—when people lose power... [especially] those in the branch ministries and the party organs... The supporters of the reform also made mistakes... They considered that the old organs would begin working in a new way on their own. Those opposed to the reform, or unable to understand it, were left at their posts. So when demagogic attacks began that minimized the reform's successes and blew up the negative processes, the demagogues were not given a strong rebuff... Neither side could win and a sort of equilibrium that resulted in years of stagnation set in.

It is worth remembering, in comparing Hungary and the Soviet Union, that the Soviet bureaucracy plays a dominant role in the whole of Eastern Europe. In addition, unlike the Hungarian bureaucracy, which suffered a crushing blow in the 1956 revolution, its Soviet counterpart has known no similar defeats (at least since the purges) and is so much older. Its potential opposition to reform is thus so much greater.

More immediately, however, it is practically impossible to carry out
profound structural reform and at the same time attain high production targets. But this is what Gorbachev has promised. His failure to deliver will be crucial ammunition for the opponents of the reform.

The outcome of this crisis, and of the entire reform period, will depend in the last analysis on the working class. If Gorbachev is going to introduce significant, irreversible change in his country, he will have to conclude a genuine, sincere alliance with the workers. That means the establishment of popular control over the economy, thoroughgoing democratization. Only if he does that, can he hope to acquire a sufficiently powerful and loyal political base to oppose the forces of stagnation and reaction. This was the experience of Czechoslovakia in 1968. The working class, initially suspicious and passive, became the most active and loyal defender of the renewal, once the reform was revised to give them real power. The working class actually turned out to be more loyal to the renewal than the regime itself, which quickly caved in to the Soviets after the invasion. On the other hand, if Gorbachev refuses this alliance, the likelihood is that he will be forced to abandon his reforms or he will be dismissed.

But if that happens, one can still expect a worker mobilization against a retrograde bureaucratic regime that, as before, would try to make the workers bear the costs of its mismanagement. Even if Soviet workers do sometimes speak of the Brezhnev era as their 'golden age' (because it was easy to find common language with management), they have never been able to accustom themselves to the waste, the anarchy and glaring irrationality which confronts them each day in the factories, and that demoralizes and sickens them. This situation, moreover, will have become all the more intolerable, as it is presently the object of systematic public denunciation by the regime itself, which has promised 'revolutionary reforms' to turn matters around.

But is there really a basis to expect a mobilization of a working class whose passivity, especially when compared to the workers of Eastern Europe, dates back to the end of the Civil War? There are a number of factors that should be considered.

One of these is the sociological stabilization of the Soviet working class during the 1960s and 1970s. Young workers today were born in the city, not the village, and are themselves children of workers. They have deep roots in the urban working class culture and social milieu. They are better educated than their elders and have known neither the terror, the war, nor the severe material deprivation that were the lot of preceding generations. Gorbachev's reform, moreover, aims at eliminating the basis for collusion between workers and management that has had such a corrupting influence on working class consciousness. (In this connection, one should also mention the relative success of the campaign against the consumption of alcohol, another corrupting influence.) There are already some signs of the emergence of a clearer class definition and separation.
According to Ivanov of the Sociological Research Institute:

One cannot close one's eyes to the contradiction beginning to emerge between administrators and those who execute the work. This problem became increasingly clear with each new survey we did. The rigid division between 'we' and 'they' has serious consequences. . . It is interesting that many of the administrators that we surveyed in the factories of Moscow's Sevastopol district complain of the workers' sloth and lack of initiative; while the rank-and-file workers speak of the administrators' idle talk, indifference and wait-and-see attitude to the restructuring.61

This was also the impression of a Soviet émigré recently returned from a visit to the Soviet Union: 'Another thing that did not exist before, at least so it seems to me: a completely clear division between "them" and "us". Of course, it did exist before, but not in the form so absolutely bitter, reaching the point of impotent hatred. The mobilization of such sentiments may be favoured by the space created by the 'crisis at the top', which threatens to be more severe than anything since the 1920s. Even the present limited opening has allowed the emergence of a new stratum of democratic activists (partly in the club movement), for the time being, mostly socially marginal elements, including some ex-dissidents. Unlike the dissidents of the Brezhnev era, these people do not fear the 'masses' but they actively seek to forge ties with them. If the workers rejected the dissidents before, it was not because they could not understand, or had no sympathy for, the dissidents' criticisms of bureaucratic rule. Rather, they were put off by the latter's often condescending and disdainful attitude toward the common people and by the fact that they chose the Western media as their interlocutor. This was seen as 'washing our dirty linen in public' and, therefore, unpatriotic.63 In a situation of political 'crisis at the top', however, there will exist a new basis for a stratum of experienced activists to forge ties with the working class for the first time and to develop the capacity to help organize that class and clarify its goals.

These goals can only be popular control of the economy, socialist democracy. These have been the spontaneous aims of every worker mobilization in the so-called socialist countries to date. The historic importance of Gorbachev is that he has re-opened, from the top, the prospect of qualitative change in the Soviet Union. He concluded his speech at the January 1987 plenum with the following words:

We want to make our country into a highly developed society with the most advanced economy, with the broadest democracy; the most human and moral society, where the working person will feel himself master, where he will be able to enjoy all the material and spiritual advantages, where the future of his children will be assured, where he will have at his disposal all that is necessary for a complete and rich life. . . So that even the sceptics will be forced to say:
Yes, socialism is a system that serves the well-being of people, their social and economic interests, their spiritual development.

This vision contrasts profoundly with Brezhnevián discourse, which characterized the Soviet Union as 'actually existing socialism', to warn people not to expect qualitative changes, since what already existed was the only possible socialism. Gorbachev has set out to change people's expectations. But qualitative and permanent change cannot come from the top alone. It awaits, in the Soviet Union, an independent mobilization of society, and above all of the working class.

NOTES

3. Thus, for example, Soviet labour productivity, as a measure of overall economic efficiency is estimated at only 40 per cent that of the US. M-A. Crosnier, *Le New Deal de Gorbachev*, *Le Couvier des Pays de l’Est*, March 1985, p. 34, n. 11.


17. 120 directors and chief specialists of major enterprises were asked to propose changes to the system of reporting. All were very critical of the existing system, but when it came down to proposing one to replace it, they restored virtually all of the current reporting procedures. ‘Real’nost’ nadezhd’ (The Reality of Hopes), *Izvestiya*, May 5, 1987.


27. By 'working class', I mean those women and men engaged in predominantly physical labour in manufacturing, transport and construction. It is obvious that broad elements of the intelligentsia (those occupying posts that require a post-secondary education) and of the employees in the service sector share many basic interests with these workers. It is also clear that the various strata that go to make up the 'working class', as defined here, are not all cut of the same cloth. Nevertheless, shared basic objective conditions as well as the common historical experience of Soviet-type systems (most recently Poland 1980-1) tend to support the validity of this definition.


32. See N. Lampert, 'Job Security and the Law in the USSR', in Lane, *Labour and Employment in the USSR*.

33. Nove, *The Soviet Economic System*, p. 296. In Hungary, it is only last year that authorities began to close down some inefficient plants. Even though the displaced workers were offered jobs elsewhere and the political authorities met with them to explain the situation, the workers' dissatisfaction was great. *New York Times*, December 2, 1986, p. A-10.

34. From personal conversations. Rutgaizen and Shevnyakov cite expert estimates of 'pripiska' amounting to 15-20 per cent of reported work in individual transport and construction enterprises. See Rutgaizen and Shevnyakov, 'Raspredelenie. . .', p. 20. However, they do not identify the period studied. In conversations, workers stated that pressures against pripiska increased significantly after Brezhnev's death.
See, for example, U. Shcherbakov (Director of the Wages Department of the USSR State Commission on Labour), 'Kardinal'naya perestroika oplaty truda' (Fundamental Reform of Payment for Labour), EKO, no. 1, 1987, pp. 37-52. Crosnier, 'Le new deal...', p. 16. Layoffs have already begun to be reported in the press. See 'Ekonomika na perepyt'e, Literaturnaya gazeta, June 3, 1987, p. 10. TASS reported a first bankruptcy, a Leningrad construction firm, March 26, 1987.

Rutgaizen and Shevnyakov, 'Raspredelenie...', p. 3.

This very crucial issue, which has received relatively little attention, both East and West, is beyond the scope of this article. For an interesting—and very rare—defence of democratic but still basically direct central planning, see E. Mandel, 'In Defence of Socialist Planning', New Left Review, No. 159, September-October, 1986, pp. 5-37.


'My khodim zhit' inache' (We want to Live Differently), Zvezdiya, April 14, 1987.


Zbid.

See, for example, 'Proshu zashchest's u suda' (I Ask the Court for Protection), Izvestiya, April 9, 1987, and 'Sila zakona' (The Force of the Law), Moskovskaya pravda, May 17, 1987.

See 'Kak nam vybirat'?' (How Are We to Choose?), Zvezdiya, January 30, 1987; 'Vybory po mnogomandatnym okrugam' (Elections in Districts with Several Representatives), Pravda, March 29, 1987; 'Demokratyi i perestroika' (Democracy and the perestroika), Pravda, October 31, 1986.

All of these clubs are, of course, formally in favour of the perestroika but some, in particular the Pamyat' (Memory) movement, are actually of a Great-Russian chauvinist, and even proto-Fascist, character.


'Uvazhenie k sobstvennoi istorii' (Respect for Our Own History), Zvezdiya, May 3, 1987.


Crosier, 'Le New Deal...', p. 6.
60. See Mandel, 'La crise...', pp. 297-303.
63. See Mandel, 'La crise', p. 301 and B. Gidwitz, 'Labour Unrest in the Soviet Union', Problems of Communism, vol. 31, November–December 1982, pp. 37-8. Yuri Orlov, the Soviet physicist and human rights activist recently allowed to emigrate, told an interview in October 1986 that the human rights 'dissident' stage was more or less over. 'The next stage will be that of activity within the working class, among the ordinary people.' He referred to a movement analogous to the nineteenth century populist movement 'to the people'. (Russkaya mysl’, Paris, October 31, 1986.) See also the interview with A. Severoukhine, Inprecor, Paris, No. 240, April 13, 1987, p. 510.