TITLE: PARTY CONTROL OF ECONOMIC MANAGEMENT IN THE USSR

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This Report is one of a series of papers prepared in an interdisciplinary research project on the political economy of the USSR, presented at a workshop in March 1989, and in most cases updated since then. Almost all of the papers will be published by Cambridge University Press in a volume entitled "Political Control of the Soviet Economy," David R. Cameron and Peter Hauslohner, Eds., which is forthcoming.

After a review of the debilitating role of the Party in the economic management of the USSR, the author concludes: "Without further progress in economic reform, it is unlikely that there will be any serious diminution of Party tutelage over economic enterprises. Party involvement seems to be an integral part of the current, creaking economic mechanism. The more agonizing and protracted the process of economic reform, and the deeper the crisis into which the Soviet economy sinks, the more excuses there will be for Party officials to persist in their interventionist methods. Moreover, in the absence of full-scale economic reform managers will have no incentive to agitate for the lifting of Party controls."
# Party Control of Economic Management in the USSR

**Peter Rutland**

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Chapter Seven  Party Control of Economic Management in the USSR

Peter Rutland

I. INTRODUCTION

In 1988 the question of a radical change in the CPSU's role in the Soviet economy was put at the forefront of Soviet political debate. At the 19th conference and the October plenum there was talk of the abolition of departments, a halving of the apparatus, and a shift of functions to the soviets. However, in 1989 the political scene in the USSR came to be dominated by other, more pressing topics - ethnic unrest, secessionist movements, miners' strikes, and the creation of a functioning parliament.

However, the party's role in the economy will have to return to the top of the political agenda if reform is to proceed further in the economic or political spheres. Radical marketization of the economy is hardly feasible when the party retains its ability to arbitrarily intervene in resource allocation decisions by factory directors and farm managers. Moves in the direction of political pluralism are severely constrained by the existence of the 100,000 apparatus of full-time party functionaries, whose primary raison d'être is to keep the economy on track in the face of the ongoing crisis.

Rather than speculate as to how the party could disengage itself from economic life, this chapter seeks to establish the

1 Thanks to David Cameron, Peter Hauslohner, David Zweig and Thane Gustafson for comments on the first version of this paper.
nature and impact of party interventions in the Soviet economy in the decade up to 1987. In order to understand how the party might work in a post-perestroika economy, we must first understand how it worked in the past, in the period of 'stagnation'. Also, it can be argued that many of the reform themes advanced by Gorbachev are continuations of tendencies and debates spreading back over three decades. F. Burlatsky has gone so far as to suggest that the key elements of perestroika were laid out in a Pravda editorial written at the instigation of Y. Andropov back in December 1964.¹

Gorbachev, then, is not a radical thinker or innovator: what is different about him is the apparent energy and determination which he brings to the task of reform. Specific examples of continuities in the reform program of Gorbachev and preceding Soviet leaders would include the following:

1) Glasnost is a radical re-working of the established practice of criticism and self-criticism, which even in the Brezhnev era had produced some press debate. The term and concept 'glasnost', of course, was used by Lenin (and indeed by Tsar Alexander II).

2) The emphasis on strengthening the role of local soviets has been the subject of repeated campaigns launched by previous leaders (for example in 1957 and 1971).

3) Urging the party to avoid podmena (taking over other officials' functions), and to rely on hands-off, 'political' methods, was a recurrent theme of the Brezhnev era.
4) The idea of fusing in a single person the positions of soviet chairman and regional party first secretary was done in Poland and Romania in the 1960s and 1970s.

5) The most radical idea of all - competitive elections - also comes from East European experience, with experiments in Hungary and Poland going back to the 1960s.

If it is correct to argue that Gorbachev is not breaking completely with the established political order in the USSR, then it pays to look very closely at precisely how that system worked in the Brezhnev years.

II. THE FRAMEWORK FOR ANALYSIS

A discussion of party interventions in the economy presupposes an understanding of how the party works, and of how the economy works.

There is a general consensus on what is involved by the party's 'leading role' in Soviet society, and its three principal activities:

a) organizational work, devoted to maintaining the CPSU as a political institution;

b) ideological monitoring of the population;

c) supervision of the economy.

Analysts differ when it comes to the gloss they put on these activities. Some see the party as a thinly-disguised mafia acting only out of self-interest, while others regard it as a relatively disinterested agency of modernization.
As for the Soviet economy, the classic works of A. Nove, M. Kaser and J. Berliner continue to provide an accurate picture of how the command economy functions. For the purposes of this chapter, our vision of the Soviet economic system can be summarized by the three competing spheres represented in Figure 7.1.

![Figure 7.1](image)

In one sector of social decision making, political criteria predominate. In a second, actors operate within the structures of the official, planned economy, with all the behavioral peculiarities described in the classics cited above. The third
circle represents horizontal, freely conducted exchanges, subject to the forces of supply and demand. The two largest types of market activity are the labor market (still largely free, in the sense that workers may quit) and the consumption sector (both legal and black consumption taking place under semi-market conditions). The considerable overlap between the market and plan sectors is where market forces have penetrated the planned economy. The intersection between the party and plan spheres is the main focus of this study.

The point in separating out the spheres is to underline the deep tensions within the Soviet economy, subject as it is to these three competing logics. Unitary models of the 'planned economy' spend a lot of time puzzling over why it is not working as it 'should,' and proposing reforms to correct its defects. Our model on the other hand emphasizes that the economy is a battleground for (at least three) competing interests.

We also differ slightly from the standard account in our understanding of how the planned sector itself works. We are impressed by the extent to which the ministry bureaucracies have developed into complex, deeply-entrenched structures, where protection of 'departmental' interests is the most distinctive characteristic of the system's functioning.4

Of course, Adam Smith taught us that pursuit of self-interest is not necessarily a bad thing. (Soviet officials themselves have long acknowledged 'what is good for the factory is good for the state.'5) However, there is self-interest and
self-interest. If the bureaucrats merely wanted more money, a bigger factory and so forth, there would still be beneficial spin-offs for the economy and society as a whole. However, the problem lies in the fact that Soviet bureaucrats essentially want nothing more than a quiet life, which is not good for the economy at all.6

Bureaucratic culture is difficult to measure. One aspect of departmentalism which can be empirically verified is the tendency towards autarky of factories and ministries in the USSR. In conditions of excessively taut planning and generalized supply shortage, officials respond by trying to internalize as many inputs as possible. One quarter of all workers are based in repair shops within factories, turning out spare parts and deficit machinery. Overall some 20 per cent of the output of a given ministry will be outside the product range which it is supposed to specialize in.7 These autarkic tendencies go beyond industrial goods. Ministries (through their factories) control 50 per cent of the nation's housing, and run everything from livestock farms to streetcar systems.8

Apart from autarky, the sins of 'departmentalism' would include: illicit stockpiling; false reporting; illegal bartering and bribery; and breaking delivery contracts by cutting corners on quality or product mix.

Our purpose in running through this list is to emphasize how formidable a force the ministries represent. They are not merely the sluggish implementers of party policy who may be brought back
on track in service of society through party threats and cajoling. The ministries are not some sort of aberration in the planned economy: they are the planned economy. The significance of this argument will perhaps become clearer as we move on to discuss the dynamics of party interventions in their work.

III. PARTY INTERVENTIONS IN THE ECONOMY: THE PREFECT MODEL REVISITED

The dominant model of party-economy interactions remains J. Hough's *The Soviet Prefects* of 1969. In opposition to the dominant Totalitarian model, Hough developed a model of the CPSU as 'system manager.' His theoretical starting point was Barrington Moore's observation that the USSR might shed its Asiatic or totalitarian past and develop in the direction of a 'rational-technical society.' Hough augments the Moore hypothesis by finding a role for the CPSU in this new stage, and by moving beyond a Weberian interpretation of efficiency. Hough drew upon the work of the economists cited above who uncovered the confused, overlapping pattern of management in the Soviet economy. He concluded that the party could play the role of a rational coordinator, resolving bureaucratic conflicts in the social interest (as interpreted by the national leadership of the CPSU). The party is not a bureaucratic institution in the classic Weberian mold: it is goal- rather than rule-oriented. In addition, Hough drew upon the latest Western public administration studies to identify the administrative role of regional coordinator, which he argued local party organs perform.
in the Soviet context. ('A textbook example of the classic prefect in a modern setting.')

These various elements fused together into an attractive model which has been supported and elaborated in the work of subsequent scholars. They also provided a clear framework for the presentation of Hough's rich empirical findings on the economic tasks of local party organs in the early to mid 1960s.

Our discussion of the prefect model has two possible points of departure. First, is the party as effective a system manager as Hough implies? Is there not a conflict between the logic of political interventions and the innate tendencies of the planned and/or market economic sectors? If so, the party could bear a heavy share of the responsibility for the steady economic decline of the USSR in the course of the 1960s and 1970s. It should be underlined that this argument is confined to the functioning of the Soviet economy in its current form, and leaves aside the party's role in vetoing possible systemic reform in the direction of a Western-style market economy. Rather than evaluating the effectiveness of the planning system per se, we are focusing our attention on the dysfunctionalities of party interventions within the existing system.

Second, to what extent is the prefect model, forged in the mid-1960s, still valid for the 1980s? The bulk of Hough's empirical materials were drawn from the 1957–65 period, when Soviet administration was radically decentralized and local party organs played a more prominent role than they have in subsequent
years. Since 1965 the growing complexity of the Soviet economy (the multitude of new products, the accelerating pace of technical change, and increased reliance upon consumer demand) has meant that party interventions in the economy were increasingly clumsy and ineffective. The national party leadership have found it increasingly difficult to come up with clear and simple tasks for local party organs to implement.

In order to find answers to these questions the author combed Soviet published sources for the period 1976–86, reading every article on this topic in the three principal periodicals Ekonomicheskaya gazeta, Partiinaya zhizn' and Kommunist, supplemented by other journals, monographs and dissertation abstracts. The points of difference with the prefect model can be grouped into the following four observations: the political nature of party interventions; their economic impact; the party's role as regional coordinator; and the continuing importance of agriculture.

(1) The political logic of party interventions
There can be no doubt that one of the core assumptions of the prefect model remains valid - that economic supervision remains a top priority for party organs. The CPSU is well-prepared as a political institution for such a role, with its network of factory-based Primary Party Organizations (PPOs); the supervision rights over economic managers which these PPOs enjoy under the party statutes; and the elaborate appointments system
(nomenklatura) which the party maintains to keep track of those selected to run farms and factories (and almost everything else). In terms of its structural ability to intervene in economic affairs, the CPSU remains unique among political parties around the globe. (Except of course for other communist parties which have adopted its structure.)

Soviet sources are unanimous on the fact that economic activity takes up the bulk of the time and energies of party officials. A content analysis of Central Committee (CC CPSU) decrees between 1966 and 1980 shows that 50 per cent were devoted to economic themes. Other categories were foreign affairs - 9 per cent, agitprop - 8 per cent. Party organs are criticized by higher party committees if economic performance in their locality is poor - if enterprises miss plan targets, or if food supplies run low.

So far, so good for the prefect model. However, when reading accounts of the daily routine of party officials it becomes clear that the 100,000 or so full-time cadres are overburdened and prone to take short-cuts, confining themselves to routine completion of reports for higher party authorities. 'Formalism' - keeping up appearances for the sake of political superiors - takes precedence over field visits and real problem-solving. There are many reports condemning the huge paper flows which circulate within the party apparatus (commands coming down and reports going up) - eg. the Leningrad gorkom collected a 28-section report form from each of its 236 PPOs every week.
Party officials seem fully stretched just servicing the organizational needs of the CPSU itself: supervising recruitment of members, running the nomenklatura, checking that PPOs and raikomy are doing their job. In practice party organs will not have the time or incentive to challenge the decisions of economic managers. On the contrary, they will be strongly inclined to cooperate with them: only rarely does an open dispute break out, with party officials using their nomenklatura powers against a local manager.

The implication of this line of argument is that routine party intervention in factories has an internal politico-organizational logic of its own which has precious little to do with economic rationality or social welfare. In other words, decisions taken as a result of political pressure are likely to diverge from decisions which would have been taken by managers acting solely on the grounds of economic calculation (whether it be economic calculation within the framework of the planned economy, or within the marketized sector).

Defenders of the prefect model will argue that party interventions may represent a 'second best' solution. Pursuit of self-interest by managers within the planned economy may not result in socially optimal decisions, so arbitrary intervention from outside the system by party officials may actually improve performance. This argument is theoretically plausible. Managerial self-interest in a planned economy is indeed likely to be sub-optimal. But there is no theoretical guarantee that interventions
by party officials into the economy will be any less sub-optimal. And the evidence from Soviet empirical sources strongly suggests that in practice the opposite is the case - that is, that party interventions have a deleterious impact on the quality of economic decision making.

Another line of defense is to argue that the role of the party must be judged not in terms of economic rationality or social welfare, but more specifically in relation to the set of goals which the party leaders themselves choose as success criteria. This is not a persuasive argument, however. Soviet party leaders themselves argue that their goals are roughly the same as those of other national leaders - to promote growth, to raise productivity, to improve the living standard of their people, and so on.

Let us test some of these arguments by looking at two of the most visible forms of party activism on the factory floor: socialist competition and the economic education movement. (See tables 7.1 and 7.2 in the appendix, pages 57 and 58). These forms of intervention provide party officials with plenty of opportunity for publicity and agitprop work, and a chance to reward favorite workers, but it is doubtful that they are really a stimulus to improved productivity.16

Socialist competition bonuses are arbitrarily set, and often contradict regular economic incentives. Workers are confused and indifferent to these competitions, according to surveys. Extravagant claims are made for the savings accruing from the
economic education programs set up by party committees, but study of their curricula show them to be long on political rhetoric and short on economic analysis. The party also accords a high priority to labor discipline campaigns, particularly when linked to the struggle against alcoholism. Again, however, there is little evidence that ideological 'hardening' can actually break the pattern of slack discipline and worker-manager collusion which prevails on the Soviet shop floor.

The same proclivity towards formalism and political showmanship which is visible in party work on the shop floor can also be found in party initiatives directed at managerial cadres. Party officials anxiously watch the plan performance of local plants, and pressure managers into meeting targets. However, factory directors already face a bewildering array of targets and norms from their ministry and other state committees. The party can form special commissions and despatch teams to monitor quality control, to promote technical change, or to uncover waste and mismanagement. However, there are already numerous state bureaucracies in operation to tackle all of these various projects: what can the local party add to their labors?

In fact, what matters from the point of view of local party leaders is the appearance of activism. Many a career has been fashioned around such interventions. It is important to differentiate yourself from the pack and attract national attention for your region by being organizationally innovative, by coming up with a new slogan or method which attracts national
publicity. Twenty two such initiatives by local party organs 1970-78 received the ultimate accolade - odobrenie in a CC CPSU decree.17 Soviet authors themselves recognize that these experiments are often largely cosmetic and are rarely based upon a sound understanding of the economic and technological factors involved.18 Programs such as the Rostov 'work without laggers' method attract huge national publicity, but I defy anyone to explain the economic or organizational rationale for the scheme.19

Even top leaders have seen their careers benefit from such boosterism. Gorbachev himself rode the wave of the 'Ipatov method' for large integrated harvest teams20; while E. Ligachev promoted the 'outpost method' for staffing distant oil fields while obkom first secretary in Tomsk.21 Both these methods were severely criticized by economic specialists in the respective fields.22 Even such thorny issues as the problem of low quality of industrial goods have spawned widely publicized local party initiatives (most notable the 'L'vov system,' which spread through the USSR from Latvia to Khabarovsk).23 However, there is no hard evidence that these 'integrated quality control systems' actually had any impact on product quality - as measured, for example, by the number of contract disputes in a given region.24 In marked contrast, the introduction of a real quality control system by the State Committee on Standards in 1987 (Gospriemka) had a dramatic and immediate impact in factories.25
Thus our main argument is that much of the party activity in the economic arena is infused with formalism, is shaped by political motives, and leaves the functioning of the planned economy relatively untouched.

Before concluding this section we should refer to another type of evidence adduced in this debate: the biographical characteristics of responsible party officials. Hough himself used biographical data to support his prefect model. The argument is that clumsy political interventions in economic management may merely have been a feature of the Stalin era, when party cadres lacked the education and experience to understand the complexities of modern industry. In the 1920s and 1930s the 'red versus expert' dichotomy was plainly visible, but in the 1940s and 1950s a whole new generation of technically trained, economically literate officials rose through the ranks of the party, and their understanding of success criteria will be close to that of managers. Indeed, many party officials will themselves have pursued careers as economic administrators before being coopted into the party apparatus.

We have two responses to this argument. First, we are very skeptical as to the utility of biographical information when it comes to predicting the attitudes and behavior of officials. People with superficially similar career paths can come out with very different political values. Also, the available biographical data are very sketchy. One doubts to what extent a Soviet engineering degree (very few party cadres are trained as
economists) and a five year stint in factory (where their duties may have been more political than technical) turn a person into a technocrat with the mindset that this implies in a Western context. The strong engineering bias in Soviet higher education suggests to us a technical, machine-oriented mentality, where little attention is paid to such factors as opportunity cost, conflicting social values, and so forth.

Second, I conducted my own biographical exercise, and found that the technocratic trend which Hough identified in the 1950s and 1960s has not been sustained into the 1980s. While it remains true that the majority of the top 25 industrial regions are led by officials co-opted from industry, the picture in the remaining 130 regions is far more mixed. (Appendix, table 7.5, page 61).

Agricultural training and experience continue to provide an important route to the top. (The single best represented school among the 1981 regional elite was the Tashkent Agricultural Institute, with 5 graduates!) Also, it is still the case that a significant proportion of regional leaders go straight from college to Komsomol and party work. The one clear difference with the past is that they all now have some sort of higher education.

The obverse of this exercise is to ask how many managers have party experience, to see whether the party and managerial elites are really interchangeable. Of the 345 leading directors who were profiled in Ekonomicheskaya gazeta 1976-86, 39 had served as party committee secretaries at any point in their
career. This does not strike us as a high proportion (the sample is likely to be biased in favor of the more politically active directors), and thus indicates that managerial careers are still distinct from party careers.

(2) The economic impact of party interventions

Not all party interventions are purely formalistic, of course. In many cases party actions have a real and tangible impact upon the allocation of economic resources. The prefect model holds that these interventions - solving a supply shortage, pushing through a construction project, coping with an emergency - outnumber the politically-driven activities we described in the preceding section.

It is very hard to assess the relative balance between these two categories. For example, interviews with Soviet emigres who formerly worked as economic administrators showed most felt unable to answer the question as to whether party interventions helped or hindered the economy. About one quarter felt, on balance, that the party's impact was positive.

However, in this section we will be pursuing a slightly different line of attack. We concede that in the short run party action may appear to alleviate a particular problem. However, the pattern of party intervention which emerges in the medium and long term suggests that these party efforts do not solve the economic difficulties in question, and may indeed actually worsen the situation. Let us look at some examples.
The clearest case of resolute and effective party intrusion into the economy (judging by press publicity) seem to take the form of short-run campaigns, during which party organs are urged to override their routine duties and mobilize resources to tackle a particular problem. The following is a list (with no claims to completeness) of major projects pursued by the CPSU in our period:

- the BAM railroad (1979-84)
- repairing railway wagons (1979-84)
- building the Urengoi-Uzhgorod pipeline (1979-82)
- atomic power station construction (1977-87)
- promoting economic incentives experiments (1983-86)
- materials and energy economy (1980-87)
- consumer goods production (1982-87)
- completing unfinished construction projects (1976-87)
- building grain elevators (1976-78)
- expanding livestock farming (1979-85)
- introducing the brigade system (1982-87)

In all these cases party organizations were urged through press campaigns and direct orders from superordinate party bodies to alter resource allocation decisions by economic managers with regard to these various issues. Judging by press reports, party actions went beyond mere formalism and in many cases had a real impact on economic behavior. However, just about every campaign attracted criticism from specialists in the field on the grounds that the interventions were tied to short-run goals which tended to ignore or override the underlying economic relationships which generated the problem in the first place, and which hold the key to its long-run solution.

Let us examine some of these cases. A huge political campaign was mounted around BAM, the 'construction site of the
century.' The project was closely monitored by the CC CPSU, and party organs mobilized Komsomol work teams to help ease the manpower shortages. With great fanfare the final 'golden link' was laid in 1984 — just in time for the 67th anniversary of the Revolution. Many locals warned that this was a house built on sand, or more exactly a track without stations, utilities, yards, housing, etc. It turns out that some 40 per cent of the work necessary to make the track operational had not in fact been completed. BAM is not a complete Potemkin village (if it were, it would have belonged in our first section). Resources were expended, a railway was laid — but in a manner inimical to economic good sense.

BAM is merely the most spectacular example of what was happening in virtually every locality. Still on the subject of transport, from 1979 the call went out to party organs to get local factories to repair rail wagons themselves to help overcome the acute shortage which had emerged. Andropov re-launched this drive immediately after taking office in 1982. Regional party committees vied with each other to come up with impressive schemes and heroic feats of wagon repair. However, it was far more costly for user factories to do this work than to have wagons fixed at special repair shops. The real problem with the railways was chronic under-investment for decades. Ironically, even while the campaign was in full force the special wagon repair plants were still complaining of lack of funds and inadequate supplies.
The gas export pipeline is often seen as an exemplar of what the Soviet system can do well: overcome unexpected problems in the face of adversity when there is a clear challenge to national interests. In this case it was getting the all-important pipeline finished ahead of schedule despite the U.S. embargo on vital pump equipment and pipes. Indeed, the CPSU succeeded in doing what it set out to do, but it is difficult if not impossible to conduct a cost-benefit analysis of the campaign. Pipe was diverted from other uses (irrigation projects and a new north-south line to provide gas for idle chemical plants in Siberia, for example), which may or may not have been an economically rational decision. The haste with which the project was pushed through means that the technical and social infrastructure remain grossly inadequate and a barrier to future exploitation of the region. Shipping housing panels from Leningrad (2500 miles away) is an impressive example of the party's ability to mobilize help for Tyumen' from around the nation, but it does not prima facie sound like a cost-effective development strategy.

Atomic energy was a priority program for the CPSU, who intended to triple its share of energy generation from 11 to 30-40 per cent in 15 years. Chernobyl was not the only problem that the program encountered. The Rostov Atommash plant which was to mass-produce reactors ran into severe difficulties with design, location, supplies and manpower, despite being under the direct supervision of the Ukrainian Komsomol Central
Committee.\textsuperscript{36} The 'can do' approach was clearly fatally unsuited to this technology.

The energy crisis of the late 1970s also prompted an extensive conservation drive, particularly during the harsh winters of 1981 and 1985. Factory PPOs were urged to monitor the introduction of energy saving technologies, while regional committees showed their political muscle, e.g. by obliging plants to go over to night working to even the power load.\textsuperscript{37} All this effort has only had a marginal impact on Soviet energy consumption, however — in marked contrast to the experience of the market economies, who rapidly cut the energy intensity of their GNP in the wake of the 1973 oil price explosion. The USSR remains 2-3 times more energy intensive than other industrial economies, and only a massive program of investment in new plant is likely to turn the situation around.\textsuperscript{38} Party-imposed energy savings targets tend to be regarded as arbitrary and superfluous by managers who already face a long list of target indicators from their directing ministry.

Thus a clear pattern emerges from the party actions in the energy and transport sectors reviewed so far: an ability to 'get things done' irrespective of whether the measures taken make economic sense, and a predilection for large, nationally-orchestrated campaigns built around the extensive deployment of resources of labor and capital. Measures to promote more intensive utilization of resources, such as energy conservation do not produce 'results' as visible as say BAM or the Uzhgorod

21
A major priority of local party officials is the avoidance of popular discontent through careful monitoring of the availability of food and consumer goods for the inhabitants of the region. We will discuss food in the following section of the paper. As for consumer goods, the party came up with the idea of pressuring local industrial enterprises to turn out some consumer items irrespective of whether they were a part of their planned output profile.

A steady stream of joint decrees from the CC CPSU and Council of Ministers make it clear that stimulation of the production of consumer goods is a joint responsibility of both the industrial ministries and local party organs. Moscow and Sverdlovsk party organs have led the field in devising programs to monitor consumer goods production in local heavy industry plants, with the Sverdlovsk campaign attracting national attention for its then regional party first secretary, the populist B. El'tsin. The movement expanded in scope in 1984, with many regional party organs laying down precise targets (eg. 3 or 4 per cent of total output to be in consumer goods) for all enterprises located in the area, including coal mines and steel mills.

This campaign is perhaps a classic example of the party in its prefectorial role, stepping in to protect the living standards of local citizenry by using their political authority to get local plants to help alleviate the goods shortage in local
shops. Practical advantages of the campaign would seem to be that it offers quick results without additional investment. The latter might well get bogged down in bureaucratic planning delays, or may be derailed by construction hold-ups.

However, how rational is it from the economic point of view to promote this enforced diversification of industrial plants? Small shops turning out consumer items on a sporadic basis are likely to be much more expensive than purpose-built facilities eg. clothes sewn by local repair outlets (this manufacturing sideline was legalized in 1972) are 500 per cent more expensive than clothes produced in a modern textile plant. This party campaign in practice reinforces the trend towards self-supply in Soviet plants which we have noted above as one of the main weaknesses of Soviet industry. In addition, plants obliged to take on such additional targets are likely to churn out goods as cheaply as possible with scant regard to quality or consumer demand. This party activity can thus largely be seen as a substitute for tough decisions about freeing prices on consumer goods and allowing firms to retain profits from meeting this demand - measures which would encourage investment in this sector and promote a more balanced and responsive Soviet economy in the longer term. A market-oriented strategy would however leave little room for local politicians to demonstrate their power over local managers or attract praise from their superiors for their resolute interventions in the economy.

Let us turn finally to the example of the construction
industry. The ministries have a chronic weakness in this sector of economic activity. Because of the 'soft budget' phenomenon, it is costless for managers and officials to bid for investment resources. This leads to an excessive number of start-ups of new construction projects, which then over-run because of inadequate supplies of labor and materials. Party officials have been repeatedly exhorted to spare no energy in getting unfinished projects in their region completed and in action.\textsuperscript{44} Lists of priority projects are issued by the CC CPSU and local party leaders have to concentrate resources to ensure their completion.\textsuperscript{45}

Press reports suggest that party officials take these exhortations very seriously indeed. Reports on party activity in the construction sector contain a specificity and richness of detail usually lacking (or unconvincing, if included) in press accounts of party involvement in other industrial sectors. For example, our survey of \textit{Ekonomicheskaya gazeta} 1976-86 found that out of 438 signed replies to criticism by party officials 69 were on construction topics. In a report by the head of the Party Control Committee in 1980 just about all the specific examples of dereliction of duty were drawn from the building sector.\textsuperscript{46} What exactly do party leaders do to ensure the completion of projects? They set up special coordinating commissions, often involving on-site teams (\textit{shtaby}) to 'force through' completion. They oblige local firms to release the transport, manpower and building materials necessary to finish the key local projects.
How effective are these measures? Despite some well-publicized successes where projects are finished on time thanks to party coordination (eg. the Kamaz truck factory) many commentators are skeptical as to the utility of party 'crisis teams' rushing men and materials hither and thither. 'Is it right,' asked one journalist, 'for party decisions to govern the erection of fences and the transportation of sand?' Party interventions work on the basis of lists of priority projects drawn up by the national leadership. Resources are concentrated on these at the expense of other projects: every 'success' is thus directly tied to failure elsewhere. Who is to say (or how is one to say) that centrally-determined priorities are also social priorities? There are clear and direct costs to the 'priority' method of resource management. Rather than bus workers in over long distances; or mount massive recruitment drives for Siberian projects with great political fanfare, only to find these workers drifting away after a few months; it might be more constructive to allow market forces to do the job through higher wages. (Already about half of rural construction work is done by semi-legal roving contract teams, the shabashniki).

Party interventions in construction have not solved the main problem dogging the sector: excessive bidding for new projects. On the contrary, regional party officials often collude with local managers in pressing for additional investments for their region. The 40 per cent cut in the number of unfinished projects that was achieved in 1981-82 may in part be a reflection on the
exertions of local party organs. However, in our view it is more plausible to see this as a result of the fact that the Construction Bank was finally allowed to get tough as a creditor, fining 820 projects for misuse of funds, and persuading other enterprises to delete 5,300 new projects from their 1982 plans.50

Another strategy pursued by the party to restore balance to this sector has been to encourage ministries to reconstruct existing plants rather than open up green-field sites. Reconstruction became the watchword of the 10th and 11th five year plans, and the 1985 plan saw reconstruction taking up 90 per cent of investment resources in the building sector.51 Reconstruction has a superficial logic to it: there are too many new sites around, let's concentrate on existing plant and make managers themselves bear the costs of new construction. However, in turning reconstruction into a political slogan the pendulum has probably swung too far in the other direction, making it excessively difficult for needed new projects to get going. (Reconstruction is often more expensive than building a new factory, since it disrupts current production.52) In addition, the incentive structure of the construction industry and its financial norms are all geared to green-field projects: the switch to reconstruction was so hasty that profitability and housing funding rules were detrimentally affected.53

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Our argument in this section can be summarized as follows.
In the preceding section we tried to identify the dominant behavioral patterns within the sphere of party-political activity. In this segment we looked at the way in which party intrusions in managerial behavior violate the principles of economic common sense, whether it be common sense as understood in market terms (opportunity cost, supply and demand, etc) or common sense within the framework of a planned economy (with its own understanding of cost-effectiveness, investment criteria and so forth).

(3) Partocracy versus bureaucracy: the problem of overlapping jurisdictions.

One of the main elements in the prefect model is the role of the party as regional coordinator. The idea is that the multiplicity of ministerial agencies were created to ensure the 'vertical' responsiveness of the economic system to central priorities. This leads unfortunately to a lack of 'horizontal' coordination. Cooperation between rival ministries' agencies in a given locality is likely to be poor. Into the breach, so the argument goes, step the local party organs. According to Hough, regional coordination is 'the responsibility by which [local party organs] make their greatest contribution to the functioning of the administrative hierarchy.'

If this is the greatest contribution of the party to the running of the Soviet economy, then we must state that they have failed in their task, for lack of regional coordination remains one of the starkest failures of the Soviet administrative system.
It may be that the optimism of the prefect model on this front is a reflection of the particularities of the 1957-65 period, when the tasks of the central ministries were partially decentralized to 105 regional economic councils (sovnarkhozy) and regional party officials initially experienced a boost in their authority vis-a-vis local enterprises.\textsuperscript{55} (A trend which was decisively reversed by the 1962 reform which bifurcated the party structure.\textsuperscript{56})

Since then the industrial ministries seem to have been able to shrug off all challenges to their authority from 'territorial' agencies. As Kommunist put it: 'The power of ministries in a locality is often stronger than that of the local soviet organs. It is enough to look at the way ministries have practically "torn asunder" entire cities - Bratsk, Togliatti, Miass - each building "their own" part of town at a respectable distance from "the others".'\textsuperscript{57} In theory, the party should be able to use its political authority in the region to persuade local managers to act in the interests of the locality. As Brezhnev put it, 'departmentalism...definitely fears the party.'\textsuperscript{58}

In practice, however, the political resources of local party leaders are outweighed by the fact that local directors have direct control over cash, manpower and materials. This means that the local political leadership will often find itself in the position of a supplicant (prositel') going cap in hand to beg resources from local enterprises.\textsuperscript{59} Of course, some regional leaders will be powerful enough to 'beat out' resources for, say,
But the bulk of the evidence seems to suggest that in most cases balance of power over questions of economic management rests with the major factory directors and not with the regional party chiefs.

However, in our view what decisively shifts the overall balance of power in favor of branch agencies is the fact that local directors carry direct legal and economic responsibility for plan fulfillment before their superiors in the central ministry. A regional party boss may exercise powerful suasion over a local plant director, but he is but one regional petitioner alongside 150 others making claims on Moscow ministries. The branch ministries themselves are under so much pressure from local and national sources that they are often unwilling or unable to respond to these regional pleas. On occasion they simply fail to respond at all: for example, the Moscow gorkom got only 13 replies from the 42 ministries it wrote to asking for details of their social plans.

Whether it be urban planning, housing policy or environmental protection, for every press report of a successful party intervention one can find several examples of local organs frustrated by the unresponsiveness of branch agencies. The Altai kraikom may have cleaned up the Alei river, but air pollution in Togliatti or the despoliation of the Dnestr continues despite party pressure on local factories to end the release of pollutants. The Yaroslavl obkom's attempt to impose fines on enterprises exceeding locally-set labor hiring limits was simply
ignored by the Ministry of Light Industry.\textsuperscript{63} The party's task is made more difficult by the fact that it often has to pursue these negotiations with a multiplicity of ministries running operations in the district. Thus the Voronezh obkom had to mediate between 12 different ministries in order to set up the construction of a new water supply system.\textsuperscript{64}

The ability of regional party organs to play a territorial coordination role was still further weakened by the 1973 reform which grouped the bulk of Soviet enterprises into new associations, many of which extended beyond the boundaries of a given district or region.\textsuperscript{65} Raikomy and obkomy found some of their local plants under new officials in an 'alien' (chuzhoi) region who were less inclined to respond to their solicitations. For example, the Zakarpatiya obkom complained that the new Elektron Association, based in distant L'vov, was dismissive of claims they made on behalf of the local subsidiary (filial) of the association, which they seemed to treat as the 'stepson' of the family.\textsuperscript{66}

The economic crisis which set in in the late 1970s seemed to worsen the contradiction between the branch and territorial elements within the Soviet economic system. The ministries had fewer spare resources to play with in the face of growing party demands: their response seems to have been to retreat still further into autarky, setting up subsidiaries to try to maintain the flow of supplies in the face of increasing shortages. The rush to develop new natural resource basins - along the BAM
railroad, in the Kansk-Achinsk coal reserve, and in the Tyumen oil and gas fields - saw the worst excesses of departmentalism. Ministry agencies flooded into these regions with big budgets and urgent production deadlines, leaving the newly-forming local party organizations with little chance to coordinate their activities. They concentrated their efforts on helping firms meet their construction and production goals, and virtually ignored the development of the social infrastructure.

Finally, one aspect of the party in its regional coordinator role which deserves separate attention is that of the allocation of industrial supplies. It is widely recognized that erratic and inadequate supply deliveries are just about the most serious problem faced by Soviet managers. A 1986 survey of directors found that 80 percent of the 'concrete' remarks addressed supply problems, and it is estimated that the average manager devotes roughly half his time to supply-related problems. In despair managers turn to local party officials to help alleviate these difficulties.

Thus far we concur with the prefect model, which argued that switching scarce supplies to priority sectors was one of the major functions of local party organs. Reports from the 1970s indicate that the average obkom was receiving dozens of telegrams per day requesting help with supply shortages. However, party interventions seemed more successful in extracting promises rather than commodities from delinquent suppliers. It is only
within its own bailiwick that the local party leadership is able to play an authoritative allocatory role, shifting locally produced or stocked goods such as fertilizer or bricks from one enterprise to another. They are far less successful when it comes to petitioning enterprises in distant provinces. Given the autarkic tendencies of the industrial ministries, compounded by the poor planning of industrial location through Gosplan, it is often the case that supplies are hauled over long distances - for example, between plants controlled by a single ministry. In such cases the ability of regional party leaders to produce results is drastically diminished. Direct approaches to the supplier are likely to go unheeded, while sending signals up to Moscow and then down the party and ministerial hierarchies to the supplier enterprise is a lengthy process which may stall at one of any number of points along the way.

In the years since the mid-1960s the Soviet economy has expanded in size and complexity. Territorial inter-dependency has also increased, meaning that it is less and less likely that crucial supply deficits will be amenable to local political re-allocation.

It is important anyway to bear in mind that appeals to local party organs are only one course of action among several open to managers in trouble, and there is no evidence that it is their most favored option. Other strategies managers follow include expanding self-supply so as to internalize the supply problems, as discussed above. Second, they can turn to direct barter (legal
or illegal) with other enterprises without going through party channels. We know that just about all Soviet firms rely on expediters (tolkachi) to push through supplies by fair means or foul. One source estimated that 50 per cent of all supplies in the Ministry of Heavy Transport Machinery are illegally traded. These horizontal, quasi-market dealings strike us as more extensive than party-sponsored reallocations. Third, managers can resort to the old favorite of under-reporting and hoarding to try to insure against supply deficiencies. Thus while national income rose 80 per cent 1971-85 stocks rose 184 per cent — some of which at least can be attributed to defensive hoarding by managers.

A further qualification to the prefect model which must be borne in mind is that there has been a huge expansion in the planning apparatus handling supplies since the early 1960s. Gossnab had merged with Gosplan in 1953, and lost more of its functions during the sovkhoz period, but was recreated in 1965 and has steadily expanded since the (eg. between 1963 and 1966 its personnel doubled). Thus Hough was describing a supply system in the early 1960s which was substantially restructured after 1965. The ministries themselves also steadily built up their own, internal supply networks over the years: roughly half of all supplies are dispatched from ministry-controlled depots, outside the Gossnab network. This bureaucratic and institutional growth has not of course solved the supply deficits which Soviet managers face on a daily basis: they seem an
inherent feature of a planned economy. However, the structural developments have perhaps changed the rules of the supply game, increasing the number of bureaucratic players and organizational channels, and diluting the role of local political power brokers. * * * * * * * * * * * * * * * * * * * * * * * * * *

Thus we see the Soviet economy as growing in the Brezhnev era into a dense patchwork of vertical bureaucracies much less susceptible to political interventions by regional party officials than in the sovnarkhoz period, which was the primary source of empirical evidence for the prefect model.

It remains the case, however, that party organs are called upon to play a coordinating role, to keep the 'departmental' tendencies of ministries and enterprises in check. Party organs support their local enterprises in disputes over plans which are unbalanced or excessively 'taut.' They criticize incompetence and red tape on the side of ministry agencies, and try to exercise a coordinating role. However, there is little evidence to suggest that party organs are in any meaningful sense 'successful' in these endeavors, in that the problems which the party is purportedly tackling persist and even deepen with the passage of time. For all the problems the present system creates, party and ministry officials seem to be able to live with them, and seem to prefer the devil they know to the prospect of an alternative, market based system.

Thus if one examines the system of rewards and penalties currently in force within the CPSU, it seems as if local party
officials are held accountable for the performance of local enterprises without actually being held responsible for results. They are instructed to intervene in economic problems, and are berated if, for example, local plants fail to meet plan targets. However, for all the liberal distribution of criticism of lower party organs for failing in these tasks, there is little evidence that careers are at risk from failure in these areas. It is up to those who believe that regional economic performance determines promotion prospects in the CPSU to prove that this is the case: we cannot simply assume it to be so on the grounds that it would be 'rational' for a party leadership concerned with economic efficiency to structure career incentives in such a way. There are very few examples in the Soviet press of regional party officials being demoted for deficiencies in their supervision of the local economy. Where officials are demoted (and public reasons given) they are often accused of economic failings, but this is alongside other errors connected with personal corruption and deficiencies in 'style of leadership' (not to mention belonging to the wrong patronage network). Given the complexity of the Soviet economy, and the fact that plan performance depends on a host of factors, and that the very measure of plan performance itself (gross output or val) is of dubious merit, it anyway strikes us as illogical and unnecessary to hold party officials strictly responsible for local economic performance.
Agriculture: the problem that will not go away

In the West the dominant image of the CPSU was (until recently) that of a party of progress and modernization, embedded in the factories and big cities of the USSR. The prefect model made only incidental references to the rural organs of the CPSU and made no attempt to integrate the agricultural sector into its picture of 'effective development administration.'

However, it is clear from the work of Yanov, Heslund, and others that agriculture looms very large indeed in the life of the CPSU - larger even than would be suggested by the fact that some 19 per cent of the working population are still based in this sector. One of the most surprising findings to emerge from our career study (appendix, table 7.5, page 61) was the continued importance of agriculture in party life. Our study of the career profile of the 1981 obkom first secretaries, for example, found that 30 per cent had at least five years' experience in farming and 33 per cent had an agricultural degree - compared with 36 per cent having comparable industrial experience and 30 per cent an engineering degree. Thus it seems as if early specialization in agriculture can be a path to a successful party career - a point confirmed by Moses's finding that agricultural bureau officials in local party organs tended to be younger than their counterparts supervising industry.

Also, it turns out that 40 per cent of the replies to criticism sent in to Ekonomicheskaya gazeta by party officials 1976-86 were on agrarian issues, with no less than 60 per cent of
the replies from obkom secretaries being on agricultural themes.
(Appendix, tables 7.3 and 7.4, pages 59 and 60)

Summarizing the situation, we would argue that from the time of collectivisation onwards agriculture was starved of resources and prevented from developing the sort of autonomous, robust institutional structure which grew up in the industrial sector. Farms remained under the tutelage of the MTS and raikomy, and improvements in pricing policy and the influx of funds which came in the 1960s and 1970s did not displace the party's domination of agricultural management. On the contrary, it seems to have reinforced it. The mushrooming of special agencies to channel these resources (Sel'khозtekhnika, and new ministries for livestock machinery, fruit and vegetables, and fertilizer), on top of the three to six levels of mainstream agricultural administration, meant that there was ample reason for local party organs to intervene to try to bring some order to the chaos.80

Compounding the situation was the fact that the low level of party membership in the countryside (25 per cent of individual farm units lacked a single party member in the late 1970s) meant that PPOs could not be relied upon, and all power was concentrated in the raikom.81 The wave of reorganizations of the late 1970s, grouping farms and service units into 'raion agro-industrial associations' does not seem to have diminished the raikom's power.82

It is clear that party organs are involved in detailed questions of agrarian management on a routine basis. The pace is
set by the Politburo itself, which often discusses such issues as
the availability of potato warehouses or the supply of spares for
the K700 tractor. They make it clear to local party organs
that, for example, in the 1985 sowing campaign they must exert
'maximum strength,' must 'take measures' to 'operationally
resolve' problems that arise. Obkomy are often directly
criticized in press editorials and party reports for agricultural
failures - more often than for industrial deficiencies. Of
course, one can also find criticisms of podmena in the party
press: for example, a party meeting in Tambov criticising the
raikom for telling them 'from above how much and what to sow, how
many livestock to keep, and how to feed them.'

Soviet agriculture is not, of course, a good advertisement
for the beneficial effects of party supervision of the economy.
The particular characteristics of farming make it less amenable
to central planning than industry. The USSR has poured impressive
amounts of investment and machinery into agriculture, yet remains
unable to provide an adequate diet for its citizenry. For
example, they have roughly the same number of cattle per head of
population as other developed countries: the problem is one of
low productivity due to poor husbandry and inadequate feed. Livestock became a 'shock front' for party organs in the late
1970s, and they rallied to the task. Local factories were
pressured into building barns for neighboring farms; the Pskov
obkom was looking into the suitability of river weeds as a fodder
crop; and E. Shevardnadze was the proud sponsor of a scheme to
convert pig excrement into fodder. 89

The campaign to promote elevator construction of the late 1970s typifies the party's approach in this sector. Silo building was beyond the capacity of individual farms, and the six trusts under various republican ministries responsible for this task were not making much progress. 90 Thus in 1976 the party was activated to add 30 million tonnes of capacity by 1980. 91 In the rush to show results, silos were thrown up before designs had arrived, and they were erected without completing the infrastructure (housing, electricity, water) necessary for their use. 92 Press attention dropped off after 1978 as other 'priority' issues crowded out the silo campaign. Soviet farms remain chronically deficient in storage capacity.

One of the main ways in which party organs play their coordinator role in agriculture is through wheedling resources out of the better-endowed industrial sector. Anything from 6 to 16 million industrial workers may be drafted in to harvest crops during a bad year. 93 Is this economically rational? Directors bemoan the hidden losses their factories suffer during these 'alarms' (avraly), and there are frequent complaints that the drafted workers are indifferent and badly organized. 94 As the first secretary of L'vov obkom put it, 'It is clear. The land needs a permanent, attentive master, not a temporary helper.' 95 Gorbachev himself has spoken out on the absurdity of 'scientists picking vegetables.' 96

One of the more curious and instructive aspects of the
party's role in attempting to solve the food problem has been the growth of auxiliary farms run directly by industrial enterprises. Industrial managers' motives are straightforward: by setting up their own farms they can guarantee a steady supply of food for their factory shop and canteen, which makes it easier to attract and retain labor. They have been aided and abetted in this policy by local and national party organs (eg. the May 1982 Food Program projected that each enterprise should have its own farm). 97

A coal mine with 3,100 head of cattle, or a motor plant with 120,000 chickens, is as clear an example one could find of the autarkic tendencies in the Soviet economy. 98 There is no doubt that setting up these farms can help ease food shortages - they seem to provide 20-30 per cent of the food needs of the communities they serve. 99 But is this the best way to run agriculture? These farms are completely outside the state agricultural plan, so they are not eligible to receive equipment, fertilizer or technical help from agricultural agencies. (Unless it is done na levo.) These problems together with the lack of managerial expertise mean that costs are high and yields low in auxiliary farms - and we noted above that it is inefficiency rather than inadequate resources which is the main factor holding back Soviet agriculture. 100

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We would draw two conclusions from this section. First, the state of Soviet agriculture is a stunning indictment of the dysfunctionality of party interventions in economic management.
Second, despite the fact that the USSR is now an overwhelmingly urban, industrial society, agricultural work remains a very important part of party life. Moreover, many of the interactions between party organs and industrial managers will revolve around agricultural campaigns — promoting auxiliary farms; getting factories to act as sponsors (shefy) over silo construction projects, harvest teams or whatever. This means that party-industry relations cannot be analyzed in isolation from party activities in the countryside.

IV. THE GORBACHEV FACTOR: PLUS CA CHANGE...?

Thus our conclusion is that party intrusions into economic management in the USSR are driven by narrow political motives, and that the overall impact of such interventions seems to have been to the detriment of Soviet economic performance. The evidence for this interpretation strikes us as fairly robust.

The most likely challenge to our model will come from those who point to the future, rather than to the past, and argue that perestroika may yet rescue a positive role for the party in restructuring the Soviet economy. There is nothing in our analysis which can conclusively prove that party interventions are inevitably dysfunctional, or that the party is incapable of changing its social role.

Of course, this argument is brought into focus by Gorbachev's perestroika campaign. Is it not the case that Gorbachev is trying to disengage party organs from economic
management, to bring an end to some of the harmful and arbitrary interventions described above? It does indeed look as if the new emphasis on enterprise autonomy as reflected in the 1987 Law on the State Enterprise is designed to achieve a separation of the party and plan spheres in our Figure Two, while the enhanced role for khozraschet in state enterprises and an expanded cooperative and private sector should expand the market sphere considerably.

Most of Gorbachev's attention in the economic sphere has been devoted to effecting a structural change in the economic system as a whole (changing the nature of the planning process, increasing the influence of market forces), rather than proposing specific reforms in the role of party organs within the existing economy.

It is pointless to speculate as to the precise functions Gorbachev sees for local party organs in the post-perestroika economy of the future. He has not ruminated in public on this issue. If we resist the temptation to read his mind and focus instead on reading what he has said (as represented by his six volumes of collected speeches\(^1\)\(^0\)\(^1\)), we find that he is still grappling with short-term problems and the issue of how to make the transition to his preferred future. In this context, there is precious little sign of a decisive shift in the role Gorbachev expects the CPSU to play in the Soviet economy.

It is true that he roundly condemns 'petty tutelage' and 'administrative-command methods' and calls for a leadership style which relies on 'political methods' — working via mass
mobilization instead of direct pressure on managers.\textsuperscript{102} It is also true that he is exasperated with bureaucratic, formalistic party practices, and urges officials to concentrate on human needs rather than abstract production figures.\textsuperscript{103} However, all previous Soviet leaders have also railed against podmena: only the introduction of institutional innovations such as competitive elections is decisively new.

More worrying is the way in which alongside these pleas for a new role Gorbachev continues to call upon the party to carry out its traditional functions. The style may have to change, but the tasks stay the same.\textsuperscript{104} He still berates individual obkomy if their region falls behind in agricultural production or social development, and calls CC CPSU departments to account for lags in the introduction of new technology.\textsuperscript{105} Just about all the various forms of party intervention described in this paper have been endorsed by Gorbachev - auxiliary farms attached to factories, forcing heavy industry plants to turn out consumer goods, and so on.\textsuperscript{106} Moreover, he has been innovative in coming up with new, more aggressive central political campaigns, for example the initiative in March 1985 (presumably Gorbachev's?) to make republican and regional party first secretaries personally accountable for energy supplies in their region.\textsuperscript{107} The most outstanding example of this is the anti-alcohol campaign, which as M. Mirosnichenko has pointed out is a classic campaign in the Brezhnev mould.\textsuperscript{108} It was hasty and ill-conceived, relying upon police methods and the creation of a
new, meddling bureaucracy in the form of the Sobriety Society (with 6,500 officials).

Even in the farm sector, where Gorbachev's return to the issue of leaseholding (repeatedly blocked by previous Soviet leaders) offers real hope of a turnaround in Soviet agriculture, Gorbachev has not articulated a program for dismantling the power of the raikomy.\textsuperscript{109} He does not seem to see any contradiction between condemning podmena at the beginning of a speech and then going on to discourse at length on the virtues of specific agricultural policies, such as crop rotation.\textsuperscript{110}

In fact, since 1987 Soviet economic reform has proceeded at a much slower pace than its adherents wished. Other, more pressing concerns (food shortages, ethnic violence, secessionist movements, and ecological crises) have kept party involvement in the economy off the public agenda in the USSR. Conservative officials, worried about the destabilizing impact of marketization, have effectively stymied the reform. Leasing is only spreading very slowly through agriculture, while proposals to relax price controls and cut subsidies for ailing industries have been repeatedly postponed. Thus the Soviet economy remains stuck in the antechamber of serious, structural reform.

Without further progress in economic reform, it is unlikely that there will be any serious diminution of party tutelage over economic enterprises. Party involvement seems to be an integral part of the current, creaking economic mechanism. The more agonizing and protracted the process of economic reform, and the
deeper the crisis into which the Soviet economy sinks, the more excuses there will be for party officials to persist in their interventionist methods. Moreover, in the absence of full-scale economic reform managers will have no incentive to agitate for the lifting of party controls.

In fact, it is pressure from below, rather than the threat of reform from above, that poses the biggest challenge to the party's role in the economy. The permanent strike committees which emerged from the miners' strikes in the summer of 1989 seem to have by-passed the local party organs as authoritative allocators of scarce supplies.\textsuperscript{111} The introduction of economic autonomy for the Baltic republics commencing in January 1990 would seem to presage a radical marketization of the economies of those regions which will presumably leave little scope for party involvement.
ENDNOTES
5. First deputy chair of Gosplan, in Izvestiia, 2/1/84, p.2.

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27. Vop. ist. KPSS, no. 7, 1984, p. 41, Kommunist, no. 15, 1985, p. 34.


30. EG, no. 14, 1979, p. 3; EG, no. 48, 1982, p. 3.


47. Vop. ist. KPSS no. 11, 1980, pp. 31-42 describes the Kama project.


50. Eg. cases in Donetsk and Volgograd oblasti - Pravda, 31/5/1981, p. 2; EG no. 34, 1978, p. 4; In Donetsk the obkom was blamed for allowing 1,500 new starts. In Volgograd the obkom forced through completion of a livestock farm despite cost overruns of 1,300 per cent. The local bank complained, but was told by Gosbank in Moscow that requests from local party and soviet officials must be obeyed.


52. EG no. 21, 1980, p. 5; PZ no. 5, 1979, p. 61.


54. Hough, Prefects., p. 203.


59. Kommunist no. 14, p. 53.

60. Kommunist no. 7, 1986, p. 29, cites the case of L'vov obkom rounding up resources for 22,000 additional school places 1981-85. The author conceded that this was the wrong way to do it since schooling should be funded and planned on a needs basis.

61. Kommunist no. 7, 1986, p. 20. "Such delays are not confined to social issues. Donetsk obkom waited two months for a reply from the ministry regarding the plans for the huge Azovstal plant - Pravda, 13/3/1983, p. 3.


64. Kommunist, no. 12, 1977, p. 8.

65. O. Filatov (director of the Svetlana Association in Leningrad), "Aktivnee sodeistvovat' protsessu kontsentratsii proizvodstva," Kommunist, no. 13, 1977, pp. 52-56; P.A. Radionov (ed), Partiinaia rabota v usloviakh proizvodstvennykh ob'edinenii (Moscow: Politizdat, 1984); T. Dunmore, "Local party organizations in industrial administration: the case of the ob'edinenie reform", Soviet

66. EG no. 34, 1982, p. 5.

67. 26 different ministries were involved with BAM, for example. EG no. 48, 1980, p. 19; EG no. 20, 1978, p. 8; Gustafson, Gas, pp. 54, 57 on Tyumen'; EG no. 46, 1983, p. 9; Pravda, 31/9/79, p. 2; Pravda, 19/1/84, p. 2.

68. Kommunist no. 8, 1986, p. 43; W.J. Conyngham, The Modernization of Soviet Industrial Management (Cambridge, UK: Cambridge University Press, 1982), p. 32. The 1988 version of the survey did not reveal supplies to be the main concern of factory directors - their priority was freedom from central planning, particularly over prices - but it did report that 49 per cent of them thought the supply situation had not improved, and another 18 per cent thought it had got worse. ("Anketa direktora," EKO, no. 3, 1988, pp. 59-75, p. 63).


70. PZ no. 4, 1984, p. 21.


74. Z. Zhalalov, Sovershenstvovanie material'no-technicheskogo snabzheniia (Tashkent: Uzbekistan, 1979), pp. 80 ff; A.Sh.


76. Examples are in EG no. 4, 1984, p. 5; EG no. 7, 1984, p. 10; EG no. 20, 1984, p. 5; EG no. 3, 1976, p. 6; EG no. 1, 1976, p. 14. It is curious that the only years in which the party organs were specifically berated for local plants' plan failures were 1976 and 1984.


80. PZ no. 22, 1981, p. 39; EG no. 28, 1985, p. 16; EG no. 6, 1976, p. 17. Leading conservative party theorist E. Bugaev commented "There is not a single master of the land...the central departments jealously guard their 'sovereignty'." (Kommunist, no. 15, 1985, p. 117).
81. PZ no. 18, 1983, p. 12. A further 40 per cent only had 1-2 members.


84. EG no. 16, 1985, p. 2.

85. Examples - EG no. 14, 1984, p. 4/5; EG no. 34, 1984, p. 3.

86. EG no. 38, 1983, p. 5.


88. "Livestock - a shock front" was a special section in EG in 1979 and 1981-5.


96. EG no. 17, 1985, p. 5.
100. EG no. 23, 1985, p. 16.
101. M.S. Gorbachev, Izbrannye rechi i stat'i (Moscow: Politizdat, 1987-89).
102. Ibid., vol. 5, p. 131.
103. Ibid, p. 357.
104. Thus he calls for "transforming activism" rather than transforming goals, the position being summarized in the title of his October 20, 1987 speech "Be in the vanguard: work in a new way" (Ibid, pp. 379, 461).
105. Eg. Bryansk obkom on agriculture (Ibid, p. 379); Astrakhan' on social planning (Pravda, 28/1/87, p. 5); CC CPSU (Ibid, p. 139).
107. EG no. 12, 1985, p. 4; EG no. 13, 1985, p. 4, through to EG no. 45, 1985, p.4.
109. See for example his speech to the workers of the Ramen agricultural district on 5/8/1987, when the closest he comes is a warning against the danger of turning the leaseholding drive into a formal campaign (Gorbachev, Izbrannye., pp. 249-55, p. 253).
110. EG no. 14, 1984, p.4/5; also on the virtues of fallow land (PZ, no. 18, 1985, p. 8).

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**Notes**

"Industry" includes transport and wood processing.
"General economy" includes regional planning, and articles with an even mix of say agriculture and industry.
"Socialist competition" includes a small number of articles on the labour collective.
No article was double counted, although the categories are difficult to define with any degree of precision.
Articles or letters less than 8 column inches in length were excluded.
Subject matter of regional conferences convened jointly by obkomy and 

Subject matter:

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**Totals**: 39 26 20 10 10 4 2 1 = 112

**Notes**: In this table construction is subsumed under the category "general economy", as it tends to be treated as part of regional planning, urban development, etc. in these conferences.
Main subject matter of replies from party officials to criticism published in *Ekonomicheskaia gazeta*, 1976-86.

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**Notes:** In a few cases the replies were signed by the chief engineers rather than the plant director, and sometimes they were also signed by the plant trade union secretary.
### Educational and career profile of obkom first secretaries, 1981

(n=138)

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<td><strong>46 (33)</strong></td>
<td><strong>12 (9)</strong></td>
<td><strong>39 (28) = 138 (100)</strong></td>
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**Note**

16 of the group (12 per cent) had served as a factory director or farm director at some point in their careers.