TITLE: Politics, Ideology, and Learning in Soviet Economic Reforms Since Stalin

AUTHOR: George W. Breslauer
University of California at Berkeley

CONTRACTOR: Yale University

PRINCIPAL INVESTIGATOR: Peter Hauslohner

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NCSEER NOTE

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.
SUMMARY

The depths of the Soviet economic crisis, and the inability to avert it despite the minor reforms of the past, have certainly been necessary preconditions for the current Soviet commitment to marketization. But they have not been sufficient conditions. To understand why Soviet leaders only now have decided to genuinely marketize their economy, and to understand why earlier "reforms" were so limited in scope and conception, we must understand more about the process of decision-making. The interaction within that process among political competition, political ideology, and learning, explains both the scope and the limits of past reforms. Specifically, we have seen that predictable variations in the process of political competition explain the timing of the reappearance of an urge to pursue more ambitious reform projects. However, political competition also provides incentives for rivals to undercut others’ efforts to enact or implement a coherent program for radical reform. What’s more, rivals have done so by invoking social, political, and ideological values that have been central to the regime’s traditions. Over time, though, and in the face of the unworkability of partial reforms, a collective learning process transpired, which ultimately, when backed by Gorbachev’s political muscle and an angry, mobilized electorate, led to an expanding consensus within the elite on behalf of replacing the old system with a market-based system. By the time this consensus had been built, however, the leadership became aware that issues of economic stabilization and republic-level separatism could not be decoupled from strategies of marketization. Hence, dissensus on these very important new issues could as yet undermine the marketization process and the recently achieved consensus-in-principle.
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Politics, Ideology, and Learning in Soviet Economic Reforms Since Stalin

George W. Breslauer
University of California at Berkeley

Since the death of Joseph Stalin in 1953, the issue of how—and how much—to reform the hypercentralized war economy built under Stalin has been continuously on the agenda of Soviet politics. It has been the object of policy debates and enactments within every administration. And it has always—to the time of this writing (December 1990)—been marked by programs which, however dramatic or disruptive, have addressed only part of the problem. That is to say, reforms to date have not yet attempted to decentralize the command economy by creating some degree of systematic market coordination as a substitute for pervasive prescription of managerial behavior through detailed vertical and horizontal controls. The latest manifestation of this reluctance to marketize the economy has been the fate of the "500-Day Plan," composed by a team of economists led by Stanislav Shatalin in late-summer 1990. That plan, which was embraced fully by Boris Yeltsin but ultimately rejected as too radical by Mikhail Gorbachev, would indeed have introduced a market economy analogous to those in capitalist democracies.

The struggle over its fate continues to this day. More important than prediction of who will win this political battle, however, is our understanding of how political processes and ideas have interacted in Soviet politics to bring us to the present state of affairs. Rather than define the issue in personalistic terms—as a clash of egos and ambitions between
Gorbachev and Yeltsin—we should search for deeper dynamics at work. That entails coming to terms with the causes and fate of economic reform efforts in the 38 years since Stalin's death.

As noted, during those decades, reforms have consistently been marked by half-measures. But that is only part of the story, for some "half-measures" have been more far-reaching than others. Indeed, over time, reform programs enacted by the regime have become increasingly radical in their conception. Each major administration (Khrushchev's, Brezhnev's, Gorbachev's) has experimented with reform measures that promised to move farther in the direction of marketization than did those enacted by its predecessor. To understand what is happening in Soviet politics today, we must first try to explain the dualities of the post-Stalin history of economic reform. Specifically, what explains the continuous enactment of bounded but, over time, increasingly radical reform programs? The purpose of this paper is to answer this question by merging identification of empirical regularities with theoretical observations about the interaction between politics and ideas.
I. CONTENDING EXPLANATIONS

Most explanations for the persistent reappearance of decentralizing initiatives since Stalin have emphasized the "objective" need for such reform in an era of mature industrialism. As Thane Gustafson puts it, the decline of Soviet economic performance over time has been a product of an effort to apply "first generation solutions" to "third generation problems." The command economy may have been functional for creating the basic infrastructure of an industrialized economy, but it is not functional for generating ongoing streams of both technological innovation and consumer goods and services in an industrial economy. The decision taken by Stalin's successors to pursue multiple goals, and the growing mismatch between the capabilities of the command economy and both old goals (national security requirements) and new ones, assured that the idea of reform would remain on the agenda of post-Stalin policy-making.

This explanation appears superficially compelling, if our goal is simply to define the underlying condition that sustains the reform impulse in economic policy-making. Yet, there is something limiting about such an explanation. The post-Stalin era is now almost four decades old, and we have yet to witness the kind of radical reform that would deal effectively with this mismatch. The incapacities of the command economy, relative to the diversified goal structure, explain the continuous pressure for reformism to reappear. But they do not explain the timing of such reappearance, the scope of the response (or non-response) to such pressure, or the differences among policies adopted at varied points in time. To explain these outcomes we must deal with a different set of variables. Let me
propose three: 1) political competition; 2) political ideology; and 3) collective learning. Each of these variables contributes to both the timing of new bursts of reformism, and to the limits placed on its scope.

**Political Competition.** This is a variable that cuts two ways. During periods of political succession, it provides powerful incentives for rival leaders to generate innovative proposals for dealing with the economic mess bequeathed by the dead or retired leader. But that same competition also provides incentives for rival leaders to advance competing proposals that undercut each others' positions, while providing access as well for bureaucratic interests to seek patrons to defend their status against the impact of reform. Thus, political competition both spurs the reappearance of reform initiatives and forces compromises as to their scope.

**Political Ideology.** This factor also contributes to explaining the persistently partial nature of reform, for it allows opponents to legitimate opposition to the social, political, and institutional costs of marketization. Leninism as an ideology is antithetical to allowing markets to perform primary coordinating functions for the economy or the polity. It condemns private ownership of the means of production as the defining characteristic of an exploitative, capitalist social system. It extols instead the virtues of central planning and the "leading role of the party." What's more, protection of the working people against market insecurities resonates powerfully in a Leninist political order; indeed, it has been the basis of a tacit security guarantee that Leninist regimes have offered their working class in the post-Stalin era. Thus, precarious social and institutional values have been continuously invoked by opponents of marketization to justify their opposition.
Collective Learning. By this I mean a process whereby collectivities reevaluate policies, strategies, or even goals, in response to experience. Fundamental learning that jettisons basic assumptions about cause-effect relations in the environment elites are seeking to manipulate is relatively rare, while simple learning that adopts new tactics for achieving existing goals, or that add new goals on an ad hoc basis, without reconceptualizing understandings about how the world works, are more common.5

Impediments to collective learning, then, explain in part why radical reform has not yet been implemented in the USSR. With basic values and interests at stake, and with a political structure that allows diverse interests to find representation in a political competition, the process of collective learning has been slow and incomplete. What’s more, the fact that no Leninist regime has successfully made the transition from a command economy to a marketized economy means that Soviet leaders’ learning could not be facilitated by the emulation of models elsewhere: be they models for an equilibrium combining market and plan, or models for navigating the highly contradictory and disruptive transition from a command economy to a regulated market economy.

And yet, much simple learning, and some fundamental learning, have taken place regarding the extent of the mismatch between the command system and the goals embraced by the regime. This explains the fact that, despite these obstacles, the idea of marketization has become increasingly legitimate over time. Collective learning, then, goes far toward explaining the increasingly radical nature of economic reforms over time.

This paper will now present a fuller development and substantiation of the themes just outlined.
II. A BRIEF POLICY OVERVIEW

By "economic reform" I mean the process of decentralizing managerial initiative within the economy. Decentralization calls for the transfer of decision-making authority over major entrepreneurial issues (investment, wages, inputs-output mixes, prices, etc.) to lower levels, and the creation of markets and a rational price structure to help coordinate such decentralized initiative. By this definition, there has not been a genuine decentralization of the Soviet economy since the NEP period. But there have been, since Stalin, efforts of varying scope to move in this direction. In 1955, a very modest set of policy changes sought to increase the authority of enterprise managers within a streamlined ministerial system, but did not seek to break the power of either the ministries or the State Planning organs to set output indicators, incentives, and prices. Similarly, Nikita Khrushchev's seemingly more radical thrust of 1957—the abolition of most ministries and the creation of regional economic councils (sovarkhozy) to coordinate all local economic activity—failed to free-up managers from detailed vertical controls (by the sovarkhozy and the central party apparatus) and detailed horizontal controls (by the local party organs).

The Brezhnev-Kosygin regime scrapped the sovarkhoz experiment and restored the ministerial system. It reverted to an approximation of the approach of 1955, enacting policies geared toward streamlining ministries and increasing managerial discretion vis-a-vis the ministries, the central planners, and the local party organs. These policies were more
far-reaching than those of 1955, but were still far from sufficient to create an environment in which managerial risk-taking and entrepreneurial initiative would pay off. Too many vertical and horizontal controls remained. Several episodes during the Brezhnev era—in 1973 and 1979—represented a declared intention to move toward partial decentralization, but these were so internally inconsistent and restricted, in both conception and implementation, that they qualify for the pejorative label, "tinkering with the system," rather than the more respectful label, "moderate reform." 9

Andropov and Chernenko tried to revive the initiatives of 1965 on an experimental basis, but neither leader lived long enough to see it through. 10 That set the stage for the Gorbachev era, when we have witnessed the first concerted effort to reform the economy in a truly radical sense. Although economic reform lags far behind freedom of expression (glasnost') and political democratization in the scope of change enacted and implemented, the policies adopted under Gorbachev to-date are more far-reaching than anything attempted since Stalin. They include the following: 1) enactment of new laws on state enterprises that call for markedly expanding the discretion of managerial personnel, diminishing the interventionist authority of state and party officials alike; 2) establishment and legitimation of small-scale private enterprise ("cooperatives"); 3) partial opening of the Soviet economy to competition with, and integration into, the global economy, through the legalization of joint ventures based on majority foreign ownership; 4) the evolution of policy debate and legitimation to the point that all-union leaders have enacted (but not yet implemented) Gorbachev's "Presidential Plan" for the transition to a market economy, based on price reform, bankruptcies, ruble convertibility, privatization of ownership (along with other
variants of "destatization" [razgosudarstveniye], and property rights.¹¹

In sum, reform of the command economy has been on the agenda of Soviet politics since Stalin’s death. The more radical economic reform impulses have come to the fore primarily during periods of political succession, but even then the scope of the reforms enacted has been continuously bounded. Yet, over time (i.e. across administrations), that scope has been progressively less bounded. Beyond the "objective need" for reform, what explains these three characteristics of the evolution and periodic strengthening of the reform impulse?
III. POLITICAL COMPETITION

Political competition is a process that forces leaders to engage in two interrelated processes: power consolidation and authority-building. Power consolidation entails building one’s power base through the allocation of patronage and the recruitment into positions of influence of old or new, but presumably loyal, associates. This allows the leader to build a client network on which he can rely for support, actual or anticipated, as leverage in the political competition. Authority-building, on the other hand, is the process by which leaders seek to foster an image for themselves as effective problem-solvers and political coalition-builders, and therefore as leaders likely both to stay in power and to deliver a growing quantity of "goods," both material and ideal, that political audiences are interested in. The audiences for this process include members of one’s actual or prospective clientele networks, many of whom are among the several hundred members of the Central Committee. However, depending upon the political strategy adopted by the leader in question, the authority-building process may seek to draw other audiences into the political game.12

Political competition has usually been most intense during the succession struggle following the incapacitation, death or retirement of the party leader. During succession struggles, leading patrons within the Politburo have struck diverse, competing postures on major issues, each seeking to stake out positions that would differentiate them from their competitors. The purpose was to carve out a program that would appeal to a distinctive
audience or set of audiences, and thereby to build authority through programmatic and personal appeals. The leading competitors after Stalin's death were Georgiy Malenkov, Lavrentiy Beria, Vyacheslav Molotov, and Nikita Khrushchev. After Khrushchev's retirement, the leading competitors were Leonid Brezhnev, Aleksey Kosygin, Mikhail Suslov, and Nikolay Podgorniy (perhaps also Aleksandr Shelepin). After Brezhnev's death, the leading competitors were Yuriy Andropov, Konstantin Chernenko, Mikhail Gorbachev, and Gregoriy Romanov (perhaps also Viktor Grishin).

The idea of radical reform of the Soviet economy has risen to the top of the policymaking agenda, and has entered the debate among Politburo members, primarily during periods of political succession. This is no coincidence. The pressure to build authority in Soviet politics places a premium on demonstrating that one has innovative ideas for dealing with the economic mess inherited from the previous regime. Given the imperative of differentiating oneself and one's program from others in the competition, it is likely that one or two of the leading contenders for the leadership role will seize upon radical diagnoses and prescriptions with which to advance their claim to being a credible and competent problem-solver. Malenkov struck this posture on certain issues in the 1950s, as did Kosygin in the 1960s, and Gorbachev in the 1980s.

At the same time, political competition has served to ensure that a radical reformist policy agenda would be controversial. At least part of the explanation for the partial character of economic reforms enacted during each of these decades must focus on political conflict within the leadership. In each succession period, at least three postures toward economic reform have been struck: one that, at minimum, sought to break decisively with
the commandist war economy; one that sought to minimize change; and one or more that
stood at points in between. What this has meant concretely will become clearer when we
explore the impact of ideology on the content of ideas debated.
IV. IDENTITY, IDEOLOGY, AND ECONOMIC REFORM

Differentiation of proposals for dealing with the economic situation in which the country finds itself has been a common feature of succession struggles to the present. But the parameters (or the scope) of that differentiation have been bounded (until very recently) by several shared concerns or beliefs among almost all members of the leadership: 1) that a return to Stalinism is not an acceptable option for dealing with the country’s problems; and 2) that the identity of the regime as "socialist" precludes serious consideration of proposals for full-scale marketization, much less privatization, of the economy. That consensus may now have broken down, but it had lasted for 37 years, and "survivals of the past" may yet torpedo radical reform in the 1990s.

The social, political, and institutional consequences of marketization have repeatedly been invoked to argue for alternatives to radical reform as the appropriate response to economic crisis. In the past, leaders have typically won the power struggle who advanced proposals for solving the nation’s problems without excessively threatening traditional values. Thus, in the political debates of the succession periods after Stalin, Khrushchev, and Brezhnev, the issue over which contending patrons sparred was not whether to seek new solutions to economic problems. It was rather over the price to be paid in such traditional values as national security requirements, the primacy of central planning, the leading role of the party, and the protection of working people against market insecurities or injustices.
This is key to understanding the debate in the USSR today. The idea of marketization has finally come to be consensually defined as desirable, but no consensus has emerged on the costs and risks worth bearing during the process of marketization, and as a result of it. We will return to this debate later in the paper. But first, let us glance backward to see how the concern for defending a traditional identity has affected the fate of economic reforms in the past.

Identity and Reform Under Khrushchev

The competition among Khrushchev, Malenkov, and Molotov after the execution of Beria provides a vivid demonstration of these processes at work. To illustrate the point, I will outline the differences among these competitors over a range of policies, not just economic reform. Malenkov advocated a costly, long-term program for intensive development of agriculture in the Western part of the Soviet Union. He also called for heavy investment in light industry and the conversion of many military plants to the production of consumer durables. He expected to finance these investments through cuts in the military and heavy-industrial budgets, and justified the prospective changes through a doctrinal diminution of status for "Group A" industries (heavy industry), and a nuclear strategy of minimal deterrence. As for economic reform, Malenkov proposed technocratic reforms, calling for a streamlining of the ministerial structure, but allowing the ministries to retain the center of gravity in economic administration. He called for party officials to refrain from intervention in managerial decisions, and for reforms within the ministerial system that would give somewhat greater decision-making authority to the managers.
Molotov was a minimalist who begrudgingly conceded the need for some economic policy adjustments after Stalin's death, and who went along with resubordination of the secret police to the party, but who otherwise was skeptical of any fundamental break with the Stalinist war economy.

Khrushchev seized upon the political and ideological vulnerabilities of both these men's positions. He outflanked them consecutively, not simultaneously, through clever political maneuvering, and took advantage of the extremism of their positions to present himself as a "responsible reformer," in tune with both the need for fundamental change (in contrast to Molotov) and the need to respect a number of traditional Leninist-Stalinist values (in contrast, he would argue, to Malenkov). An examination of the content of Khrushchev's critique of Malenkov nicely displays the power of ideological considerations in influencing the outcome of political combat.

Khrushchev criticized Malenkov's status-reduction for military and heavy-industrial sectors, his underestimation of the foreign threat, and his minimal role for the party in economic administration. While such criticism allowed Khrushchev to throw Malenkov onto the defensive, and to seize the initiative from him, such negativism probably would have been insufficient by itself to expand Khrushchev's role within the leadership as policy initiator and controller of the policy agenda (assuming that power consolidation through patronage allocation by itself would have been insufficient). What Khrushchev did was to offer an alternative program that promised to synthesize new tasks with old values.

In place of Malenkov's program, Khrushchev proposed a series of policies that would plausibly get the country moving again without as much sacrifice of traditional values. The
Virgin Lands program was a vivid example. Khrushchev argued that cultivation of the Virgin Lands would be a low-cost but hugely rewarding project. It would avoid the heavy expenditures and budgetary redistributions required by Malenkov's program of intensive agricultural development. It premised popular initiative, not on the "automatic" operation of personal material incentives (as under capitalism), but largely on politically-inspired, Party-led mobilization of youth, recreating the ethos of the First Five-Year Plan. (Similarly, in other issue-areas, Khrushchev would emphasize collective rather than personal material rewards.) It called as well for a heavy dose of local party involvement in direct economic administration, in order to overcome bureaucratic resistance and inertia.

In sum, Khrushchev presented his program as a large-scale crash project, justified by a sense of urgency which played on elite fears of urban unrest while playing to the hopes of party cadres for a program that would empower them, expand the material, political, and status resources at their disposal, and avoid a challenge to the leading role of the party. At the same time, Khrushchev's dynamic program distinguished him from Molotov, whose opposition to both programs--those of Malenkov and Khrushchev--allowed Khrushchev to discredit him as having his head in the sand.

Khrushchev's regionalization of Soviet public administration in 1957, while self-serving from a power-political standpoint (it abolished the ministries within which many of Malenkov's clients worked), followed a similar pattern. By shifting the concentration of economic administration to the regional level, Khrushchev increased the interventionist prerogatives of regional party organizations and of sovnarkhoz officials, especially relative to central planning officials. Put differently, he compensated for a diminution of certain
vertical controls over managerial discretion with an increase in horizontal party controls over those enterprise directors. At the same time, by increasing the ambitiousness of plan targets, he increased the pressure on local party officials from central party officials, thereby ensuring increased party interventionism in managerial affairs. This was not a reform destined to succeed in increasing aggregate economic performance, as some Western economists predicted at the time. But it was a program with both political appeal and practical plausibility to Soviet officials and politicians, and it helped Khrushchev to mobilize support among actual or prospective clients within both the party apparatus and the regional economic councils he was establishing. Several months after this thrust, Khrushchev's rivals in the leadership teamed up against him and tried to force his retirement. Khrushchev mobilized his supporters and won the power struggle, purging Malenkov and Molotov, among others, amidst charges that they had formed an "anti-party" group.

Identity and Reform Under Brezhnev

This basic pattern of differentiation and polarization within the stage of succession struggle would be repeated in the immediate post-Khrushchev era, though the specific issues and expectations regarding matters of political organization had evolved to the point that the intensity of conflict within the leadership would be lower. Collectively, this was a more conservative leadership regarding matters of political reform. Fear of stagnation, and the need to "get the country moving again," were not the main preoccupations of this group (in contrast to 1953); fear of political and administrative disruption were the main
preoccupations. Khrushchev's arbitrariness in response to the failures of his program served to reinforce a broad official aversion to both political reformism and populism. It would have been counterproductive to try to create through political manipulation a sense of either urgency or emergency about the condition of the economy.

Yet within this context, several leading figures (Brezhnev, Kosygin, Podgorny, and Suslov, in particular) would compete for power and authority, advancing conflicting programs for improving the economy. As Anderson has summarized the results of his content analyses, which supplement and reinforce my own findings about the differences between Brezhnev and Kosygin:

Brezhnev and Suslov advocated slightly differing variants of an ideological and centralizing conception of socialism. Brezhnev's variant was inspirational, Suslov's indoctrinational. Kosygin and Shelepin advocated a materialistic and decentralizing conception, while Podgorny synthesized an ideological but decentralizing conception.17

These leaders also differed on resource allocation questions, with differing clusters of first and second investment priorities.

Again, on all these policies, the issue was the price to be paid in traditional values for reforming the economy. Kosygin's "materialistic and decentralizing" conception echoed Malenkov's and made him vulnerable to a Party leader (Brezhnev) who sought to build a winning coalition by pinning the extremist label on his rival. Brezhnev played upon Kosygin's vulnerabilities by stressing the defense of traditional values against those who would undermine the distinctive identity of Soviet socialism. He called for a pattern of
public administration based on the primacy of detailed central planning, the right of party intervention, and the avoidance of excessive reliance on "automatic [i.e. material] levers."

To be sure, Brezhnev claimed to be a supporter of the watered-down economic reform enacted in September 1965. He also advanced a resource allocation program that would sharply increase investment in agriculture and in material incentives for the peasant. In other words, his was not a "stand-pat" position, for he sought to demonstrate that he had a dynamic program that would credibly improve economic performance. As with Khrushchev, though, he would polemicize with his Prime Minister in increasingly demagogic terms, and would build upon this confrontation (which took place in late-1967 and early-1968) to outflank Kosygin and rise to a position of ascendancy in the leadership. Approaches to economic reform won out that were more centralist and mobilizational than decentralist and marketizing, an outcome that parallels the victory of party-mobilizational over technocratic biases in the 1950s.

Identity and Reform After Brezhnev

Analogous struggles have manifested themselves since the death of Brezhnev in 1982, though the form and timing have varied due to the confounding impact of illness and death. The period 1982-85 saw an ongoing competition for control of the policy agenda between reformist and conservative programs of economic change.18 We do not know how far Andropov would have moved toward radical reform of the economy had he remained healthy for 5-10 years. He played the conservative in his labor discipline campaigns and his support for continued heavy defense spending. He played the reformist in his proposal ( tepid, yet controversial) for reform of the heavy industrial sector. And he appeared to be preparing the
ground for potentially reformist policies with his anti-corruption campaigns, personnel shifts, and attempts to redefine the character of the party by recruiting the forces of "rectitude" from party, KGB, and state sources. Chernenko and others appear to have played a blocking role in preventing Andropov from reshuffling the Politburo, and in providing protection to officials resistant to plans for economic reform.

As Andropov lay dying, the battle between reformism and conservatism came increasingly to be personified in the struggle between Gorbachev and Chernenko and, later, between Gorbachev and Romanov or Grishin. This was not simply a generational conflict; nor was it simply a battle over economic issues. Gorbachev stood for vigorous purging of dead wood, reconsideration of political authority relationships, budgetary redistribution, and partial marketization of the economic structure. Chernenko was willing to preside over and endorse the extension of economic reform experiments begun under Andropov. But it is not clear that he was an enthusiastic advocate; more likely, he was simply a weak party leader at a time when Gorbachev-led forces of renewal were demanding evidence of forward movement.

While polemics among top leaders and aspirants were continuous during the Chernenko interregnum, they intensified and shifted focus during the last months of Chernenko's life. Gorbachev became more radical in his utterances during December 1984 - February 1985, while Romanov and Grishin sought to block Gorbachev politically by emphasizing the traditional values that would be threatened by a radical reformist leadership. The polemics between Gorbachev and his challengers intensified and polarized in advance of his election as General Secretary. He then set to work slowly but deliberately
purging dead wood from the Politburo during his first years in office. Beginning in 1987, he
began to define a program of economic reform more radical than any advocated by a Soviet
party leader or Prime Minister in the entire post-Stalin period. From 1987 to the present,
Gorbachev has periodically radicalized components of his economic reform program.
However, consistent with the predictions of a model of political competition, this has
generated competing proposals and a process of differentiation within the leadership.

Political Competition, Identity and Reform Under Gorbachev

In an important study, Anders Aslund identified five distinct "programs for economic
revitalisation" proposed and defended by leading patrons within the Gorbachev Politburo
between 1985 and 1987: 20

Radical Reform: Gorbachev
"Reform not disturbing Gosplan": Ryzhkov
Technocratic rationalization: Zaikov
Socialist morality: Ligachev
A minimum of change: Shcherbitsky

In their advocacy of alternatives to radical reform, these patrons variously sought to
protect sacred institutional and ideological cows against the marketizing implications of far-
reaching economic reforms.21 Most notably, Ryzhkov sought to defend the continuing

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primacy of that institution (Gosplan) that symbolizes "central planning"; Zaikov sought to defend the key role of patriotic and nationalistic appeals in mobilizing public initiative in the economic realm; Ligachev sought to avert challenges to the "leading role of the party," and to socialist collectivism, as the primary spurs to economic initiative; and Shchbertskiy defended the old system more generally.

Comparing this spectrum of differentiation with that found during earlier administrations, we immediately notice its greater breadth: advocacy of radical reform had gone farther than ever before, while defense of the command economy remained among the anti-marketizers. Progressively during the post-Stalin era, the willingness to challenge traditional values has increased.

What's more, the dynamics of political competition have ensured that contending leaders would seek to build authority by staking out contending positions on this shifting policy continuum. They have then seized upon the socio-political costs of rivals' programs as justification both for discrediting those rivals as leaders and for proposing alternative programs.

Gorbachev has been in power for six years, and has increasingly challenged traditional values with his rapidly unfolding programs for radical reform. Yet, while Gorbachev's personality and leadership skills have made a difference, the timing of the evolution of his policies bears enough resemblance to the rhythm of policy advocacy and conflict in the 1950s and 1960s that deeper determinants of the timing of change must be at work. The radicalization of Gorbachev's policies during 1987 heightened the level of political conflict and polemical confrontation. In 1987, and again in every year since then,
Gorbachev responded to intra-elite polarization by carrying out increasingly far-reaching purges of the Politburo, along with the cooptation into the Politburo of erstwhile supporters. By Fall 1990, this resulted in a power distribution within a thoroughly purged and marginalized Politburo that resembles (in form, though not degree) the power imbalances created by Soviet leaders in 1958 and 1971. Those were the years in which Khrushchev and Brezhnev consolidated their positions of ascendancy within the leadership.22

Similarly, during 1987-90, Gorbachev followed compromise policies that maintained the momentum of economic reform in a radical direction, while resisting the urgings of the most radical economic reformers that he move farther and faster on the key issues involved. His incremental radicalization was not entirely planned, but it did seize opportunistically on shocks and unrest to build the case for further radicalization. By 1990, he was prepared to endorse or demand a formal separation of party and state functions, an end to the communist party’s legal monopoly on power, and the development of a comprehensive economic reform program based on radical premises. This was the origin of the exercise that led to Gorbachev’s "Presidential Plan" of October 1990, by far the most radical plan for marketization to be proposed by any Soviet General Secretary in history.

Those observers who feel that Gorbachev should have introduced such a comprehensive program in 1987 assume that he had the power to do so at the time. The rhythm of change in past administrations suggests otherwise. Khrushchev and Brezhnev both introduced partial, not comprehensive, programs that bore their stamp near the beginning of their administrations (the Virgins Lands program and Brezhnev’s agricultural program). It was only later, as they established their ascendant positions within the power hierarchy, that
they came forth with comprehensive programs for interrelating reform of the agricultural and urban-industrial economies, and for relating these to the budgetary priorities of a Five-Year Plan. And in each case, there is evidence that a power play was required to do so. Just as Khrushchev called an "extraordinary" Party Congress for January 1959 (two years ahead of schedule) to ratify his comprehensive program, and just as Brezhnev presented his program at the 24th Party Congress in early 1971, so Gorbachev moved up the 28th Party Congress, originally scheduled for April 1991, to early-July 1990. 23 The relationship between power-consolidation and the presentation of a comprehensive reform program (as "reform" is defined at the time) tells us something about the timing of such a program. But what about its content? Here too there are instructive parallels, even though today's definition of "reform" is far more radical than was the case under Khrushchev or Brezhnev.

In my study, Khrushchev and Brezhnev as Leaders, I noted important differences between the policy advocacy of the Party leader (and his competitors) during the first two stages of his administration: the stage of political succession struggle (1953-57; 1964-68) and the stage of ascendancy (1957-60; 1969-72). I noted that, during the first stage, after leaders staked out competing programmatic appeals, polarization ensued, marked by increasingly public polemics and the party leader's attempt to pin the extremist label on his rivals and to discredit their programs. But once he had outflanked his rivals, he moved partially back toward the political center on a variety of issues. This was not a case of abandoning his program and adopting that of his main rival (a patently false proposition that has for some reason become almost a proverb in the Sovietological field). Rather, both Khrushchev and Brezhnev remained faithful to the basic posture they had struck during the early years of the
power struggle. Now, however, they would supplement that posture with selective elements from the programs of their defeated rivals. The purpose was to piece together a comprehensive program that would meet the expectations of multiple elite constituencies, and thereby to expand and solidify the dominant coalition being led by the General Secretary.

A sample of two (Khrushchev + Brezhnev) may seem like a slim reed on which to rest generalizations about deeper processes at work in Soviet politics. But there are a number of ways to buttress the case. One is to expand the number of issue-areas under investigation in order to see whether the pattern is replicated regardless of issue area. My book examined domestic policies concerning economic reform, budgetary policy, and political participation. Richard Anderson has tested the theory, and found strong support for it, on a variety of foreign policy issues during the early Brezhnev era (1964-1972).24 James Richter has applied the framework to the foreign policies of the Khrushchev era, again discovering strong support.25 Moreover, Anderson has taken the approach one step beyond empirical generalization, explicating at length a deductive theory of political competition that builds on (and improves) my authority-building framework by incorporating logical and empirical findings from the social-psychological, game-theoretic, and coalition theory literatures. On this basis, Anderson suggests that the political-competitive dynamic at work during the two stages is one of differentiation followed by inclusion. He explains such evolution by arguing that the General Secretary narrows his appeals in order to outflank prominent rivals, but then broadens his appeals in order to build a more inclusive coalition.

This tells us something about the malleability of political constraints in the Politburo’s policy-making process since Stalin. The requirements of authority-building in a highly
competitive political milieu impel competitors to differentiate their own from their rivals' programmatic solutions to the problems facing the country. But the interrelationships among the issues means that such divisions cannot last for long: a comprehensive program that addresses those interrelationships in a relatively coherent fashion must be constructed. This "objective" need, combined with the intense power struggle, leads to the emergence of a political boss who, in exchange for political deference, will be expected to associate his authority with a comprehensive program. But, at least under Khrushchev and Brezhnev, we discovered that the comprehensive program made more concessions to purportedly discredited policies than one would have anticipated through a simple extension of previous policy advocacy. The explanation may be that the requirements of credibility force leaders to abandon their more extreme, polemical positions, while the uncertainties of continuing power struggle (since ascendancy can never be highly institutionalized in the post-terror era) impel ascendant Soviet leaders to broaden their political base far beyond the minimal winning coalition with which they made it through the succession struggle. The price of broadening the political base, however, was compromise. During most of 1987-1990, Gorbachev followed compromise solutions on economic reform, and pursued a centrist policy of positioning himself between the polarizing extremes within Soviet elite politics. Aslund pegged Gorbachev a "radical reformer" during 1985-1987, but the Soviet leader has since then been outflanked to the left by politicians impatient with the slow pace of economic marketization. Nonetheless, Gorbachev sought to bridge the "left" and the "center-right," sacrificing some traditional values (the primacy of central planning, the investment priority of military-industrial projects, and the monopoly role of the party) while continuing to defend
others (collective ownership of property, and protection of poor people against shocks to their standard of living, in particular). Thus, Gorbachev mimics Khrushchev and Brezhnev in the timing of his coming around to presenting a comprehensive program, and in his efforts to continue to dominate a broad center of the political spectrum.

But Gorbachev seems to be aware of the contradiction between this political imperative and the apparent incapacity of compromise policies to improve the condition of the economy. This seems to have led him to conclusions that break with the pattern of behavior displayed by Khrushchev and Brezhnev during their stages of ascendancy. His decisions to establish a new set of legislative bodies (the Congress of People’s Deputies and the new Supreme Soviet), to transfer much decision-making authority from the Central Committee of the CPSU to those legislatures, to emasculate the policy-making authority of the Politburo, and to marginalize the Central Committee as an arena of political accountability may reflect an awareness that the traditional power structures unduly represented forces of resistance to radical reform.

Having built his authority on the premise that he could in fact reform the economy sufficiently to make it "work," he would find it unwise to keep giving a veto power over economic reform to precisely those institutions that could try to hold him accountable for economic progress. Recognizing the limits of authority-building within the traditional structures, Gorbachev has created new political arenas that will more fully represent forces of support for radical reform. His positioning as President of the Supreme Soviet afforded him the opportunity to mobilize into politics social forces among which he could build his authority, and the pressures from which he could invoke to justify radicalization of policy to
more conservative associates. As was the case with Khrushchev, this was a populist authority-building strategy. But it was one that represented a far greater challenge to, and break with, the traditional power structures than Khrushchev ever contemplated, much less achieved. The fact that Gorbachev has thus far been able to get away with it probably reflects in part the evolution of perspectives within significant portions of the elite as to the impossibility of continuing in the old way. That brings us, in turn, to our third variable: learning.
V. COLLECTIVE LEARNING

Thus far I have argued that political competition explains the fact of programmatic
differentiation over economic reform issues during the succession struggle, and that the terms
of debate are shaped by ideological considerations. Between them, politics and ideology go
far to explain the timing of economic reform efforts and the constraints on their scope.

What politics and tradition cannot explain, however, is the growing radicalization of
Soviet economic reform programs over time. In the 1950s, neither Malenkov nor any other
member of the leadership was advocating even partial marketization of the economy. The
debate revolved around party-mobilizational versus technocratic approaches to public
administration. In the 1960s, Alexey Kosygin and a few other leaders were advocating
selective movement in a marketizing direction, and the terms of debate revolved around
combinations of party-mobilizational and technocratic approaches versus combinations of
marketizing and technocratic approaches. By the 1980s, the debate had diversified still
further, with highly marketizing approaches entering the field of competition against
technocratic, and party-mobilizational approaches, and, most notably, with radical approaches
for the first time enjoying the support of the General Secretary. This progressive
radicalization of the terms of debate and of the policy agenda must be explained with
reference to a process of collective learning, although the General Secretary's willingness to
line up with the radicals may have to be explained in terms of the individual learning and
personality of Gorbachev.

In the 1950s, there existed a broad consensus within the leadership that the hypercentralized economy inherited from Stalin had to be altered. Too many decisions were being made in Moscow by a ministerial Leviathan. But the range of alternatives under active consideration did not question the primacy of central planning or the idea of detailed prescription of managerial behavior. The idea of market-coordination as the alternative to what existed simply was not part of the discourse; nor, presumably, was it part of the consciousness of the individual members of the leadership.

During the course of the 1950s, there was little reason for Soviet leaders ever to consider marketization as an option. The modest changes in investment priorities, incentives, and bureaucratic structure enacted after Stalin’s death were followed (coincidentally or not) by large increases in rates of growth during 1953-1958. The Soviet economy appeared to be booming, both relative to previous growth and consumption rates, and relative to the US growth rate.

However, from 1959 onward, a slowdown set in. This dovetailed with revelation in 1960-61 of many of the contradictions within Khrushchev’s optimistic Seven-Year Plan, and with the authority crisis Khrushchev faced as he sought to cope with the frustration of his promises in both domestic and foreign policy. His response in domestic economic policy was to seek a quick fix that might end the slowdown. At the same time, he sanctioned a process of searching for alternative approaches to reforming the economic system. This led him, in 1963, to endorse the "link" (zvenevaia) system in agriculture, and to make favorable references to the work of economist, Yevsei Liberman, who, in 1962, was allowed to publish
in Pravda a seminal article outlining plans for partial marketization of the Soviet economy. Khrushchev remained in power too short a period of time, and was too absorbed in the short-term pressures generated by his authority crisis, to either absorb fully or act upon the ideas presented by Liberman.26

Those ideas became a catalyst, however, for the industrial reform proposed by Kosygin in 1965. For the first time, advocates of alternatives to party-interventionist approaches to economic coordination were combining technocratic premises with marketizing premises. While the idea of reform might have been received positively by a large majority of the Politburo during 1965-66, the level of consensus within the Politburo regarding the scope of marketization, and the price to be paid for radical reform, remained very low.27 Those with a political-competitive or ideological motivation to reject decisive movement toward market socialism could easily rationalize or publicly justify their opposition in situational terms as well. They could point to the disruption caused by Khrushchev’s reorganizational and purging mania during 1961-64 as the real cause of the slowdown. The improved rates of growth during 1964-68, in turn, could create the appearance that the reversal of Khrushchev’s schemes, coupled with the more stable administrative task environment that followed, had been sufficient to turn around the performance of the economy. The fascination at the time with "scientific management of society" and with computers (one of the "fruits of the scientific-technological revolution") reinforced the preferred illusion that central planning within the command economy could be fine-tuned, and radical reform avoided.28

These arguments were in turn reinforced by the glimmers of the negative side effects
of the transition to radical reform that shone through as the issue was being considered and the partial measures implemented. Specifically, some junior members of the leadership noted the threat to workers' job security engendered by efficiency-maximizing reforms, while other leaders noted the tendency toward inflation as enterprise directors sought to maximize profits.29 These qualms dovetailed with the Politburo's collective fears of political instability, while simultaneously providing party-mobilizers a rationale for opposing marketizing reforms by pointing to the party's duty to protect precarious social values against efficiency-maximizers.

Brezhnev's longevity in office, coupled with the illusion that detente and the oil shocks (of 1974 and 1979) could compensate for the inefficiencies of the command economy, ensured that marketizing reforms would not reenter the Politburo's agenda until the 1980s. However, within the Academy of Sciences and, derivatively, among younger party and state officials in search of programs to embrace when their opportunities to make it to the top presented themselves, a great deal of active search behavior was taking place. We might refer to these years as a lengthy period of both subterranean and backstage learning.

Subterranean learning refers to reevaluations of beliefs and more basic assumptions by scholars, journalists, and other members of the intelligentsia who were tasked with interpreting changes taking place in the condition of the economy, but who were not formally charged with policy-making responsibilities. New thinking about the economy by far pre-dated Gorbachev's ascension to power in 1985. It was carried by policy entrepreneurs whose main functions within the Soviet system included more open-minded searches for alternative solutions to intractable problems. That search resulted in a growing scholarly consensus
about the range of workable alternatives to continuing in the old way. As Aslund remarks about the period 1965-1985:

The rise of mathematical economics in the 1960s was a mixed blessing. The level of economic discourse rose, but a harmful fallacy was nourished as well, namely the excessive belief in ‘optimal’ planning through computerization. Twenty years of failure to accomplish any concrete results have cured leading Soviet economists of such illusions, clearing the way for market-oriented thinking. 30

These entrepreneurs, however, would never have influenced policy were it not for their access to would-be leaders who, while waiting in the wings, were themselves engaged in a process of search and learning. The evidence of such backstage learning is plentiful. Oral testimony, as well as written documentation, attest to a close relationship between Gorbachev, Andropov, Yakovlev, Shevardnadze, and other politicians, on the one hand, and new thinkers in the intelligentsia, on the other, during the last five years of the Brezhnev era. Relieved to some extent of the day-to-day pressures and responsibilities of leadership, these would be successors to the leadership (the General Secretaryship or the Politburo) were searching for explanations for the growing malaise in the Soviet economy. They developed consultative relationships with new thinkers of the older generation, and with others who criticized the command economy as unworkable, and who proposed marketizing alternatives. Nor was this learning process simply an intellectual or an idealistic exercise (though some of these politicians were probably genuinely concerned to improve conditions for the sake of their country or the Communist Party). As would-be leaders, these men had an incentive to develop credible, potentially effective, alternative programs of their own. This would arm
them for the coming political succession struggle.

According to Haas, fundamental learning (in our case, the kind of far-reaching revaluation that would be required for marketizing reforms to be enacted and implemented in the USSR) is a rare occurrence. It depends upon the conjunction of several circumstances. The search for fundamentally new cause-effect chains must be defined as both desirable and feasible; an "epistemic community" (i.e. a scientific community that shares a common epistemology) must exist that provides "consensual knowledge" supporting the necessity and feasibility of a fundamental reevaluation; and the search must be driven by a sense of urgency: "the conjunction of high issue salience and a crisis".32

This combination of conditions comes closest to describing the situation in the USSR in the 1980s. The magnitude of the economic crisis had come widely to be perceived as a threat both to domestic stability and international security. Economic science had advanced to the point that old solutions had been discredited and the need for marketization had gained widespread credibility, though not consensus, among a new generation of economists (not just by default, but also in light of the performance of China, Hungary, and Western market economies). And the incentives built into the political succession struggle, coming as it did at a time of generational change, had created a context in which some political leaders defined it as in their interest to advance bold new proposals. None of the earlier political successions (of the 1950s and 1960s) was marked by this conjunction of conditions. At those times, therefore, some learning occurred, but it was of a much more limited scope.

Yet even the conjunction of circumstances in the mid-1980s did not predetermine radical marketization. While a growing scholarly and political consensus on behalf of
marketization was emerging, this would only gradually and with difficulty be reflected within the Politburo. During most of the period, 1985-1989, most members of the leadership drew incompatible lessons from the economic slowdown. This is reflected in the differentiation of programs documented by Aslund. Obviously, if such a widespread denial of marketizing lessons can persist within the leadership, the economic slowdown, coupled with the impetus to innovation caused by political succession and generational change, proved to be insufficient to offset the continued defense of traditional values and the urge toward programmatic differentiation in the political competition.

And yet, something fundamental has changed; radical marketization came to the top of the political agenda in late 1990, even though it has still not been implemented, and even though Gorbachev has refused to endorse the most radical variant. The General Secretary has been a leading advocate of radical economic reform (in contrast to the Khrushchev and Brezhnev eras). However much he can be dubbed a "centrist," Gorbachev occupies the center of a political spectrum that has shifted far to the left relative to five or ten years ago. Many of the opponents of radical reform identified by Aslund (Shcherbitskiy, Ligachev, Zaikov, Solovyov) have by 1991 been purged from the leadership. Why, then, has the spectrum shifted? What made it possible for Gorbachev to keep pushing the elite to the left, even as he sought compromises among the remaining, conflicting forces?

A power-centered explanation is insufficient to explain this. Simply to argue that Gorbachev's increased power made it easier for him to purge conservatives from the leadership begs the question of how Gorbachev, in a period of turmoil, was nonetheless able to increase his power. Presumably, in the absence of terror, one must earn greater power by
building confidence in one's leadership capacity in the eyes of other power brokers or leading clients within the Central Committee. A fuller explanation for Gorbachev's political successes, then, must consider the interaction between collective learning and political competition, as they affect the ability of the leader to build his authority.

The key variable in this interaction is credibility. This is the link between collective learning from experience and the political urge to differentiate one's programs from those of one's rivals. Authority-building is the process of building one's credibility as problem-solver and consensus-builder. Credibility is the subjective link between environmental conditions and political clout in situations in which sheer political coercion or material bribery are insufficient to ensure victory. Institutional definitions of their interests are not fixed phenomena; they can and do evolve in light of changing circumstances and changing subjective definitions of what is required to attain institutional goals. Gorbachev's success in pushing the political spectrum to the left, and in neutralizing the conservatives, must be partially explained with reference to the credibility of his claim that "there [was] no alternative."

The spectrum of political debate shifted in the 1960s toward the inclusion of partially marketizing alternatives because the parameters of previous debate had lost credibility in the eyes of prospective clients and members of the attentive and articulate publics, as well as in the eyes of some top leaders responsible for national economic performance. Similarly, and more dramatically, the subsequent, lengthy, frustrating experience with Brezhnevism served to undermine the credibility of his distinctive combination of central planning and party mobilization. Tatyana Zaslavskaya's lengthy memorandum of 1983, which diagnosed the
sources of the country's economic woes, and which prescribed heavily marketizing medicine as the only workable alternative, held credibility among many aspiring and actual members of the leadership—a credibility that it would have lacked in 1965. It was an idea whose time had come, and it was compelling precisely because it simultaneously diagnosed the sources of the economy's condition and prescribed a cure. Therefore, one way to explain expansion of the range of leadership debate under Gorbachev to include extensive marketization is to posit a process of collective learning that forces leaders to recalculate the requirements of credibility within the game of authority-building that is part of the political competition.

Collective learning, as I am using the term, is not synonymous with consensus, as we have seen. Collective learning does not necessarily create unanimity, but it does shift the balance of beliefs within politically significant constituencies. The process of collective learning has therefore made it easier for a radical reformist coalition, backed by the General Secretary, to seize the initiative in the policy process. Collective learning has shifted the criteria by which significant political audiences evaluate the plausibility and credibility of alternative programs.

What we have witnessed under Gorbachev has been the gradual embrace of marketizing formulae by certain individuals whom Gorbachev has coopted into the leadership, the gradual purging or political isolation of those who refused to redefine their conceptions of what was required to revive the ailing Soviet economy, and the development of bandwagoning behavior among the ambivalent. The requirements of credibility greatly increased the probability that radical marketization would be attempted. Collective learning shifted the nature and strength of the constraints that any individual would have to stretch in
order to exercise innovative leadership. But it probably required a leader with the kind of intelligence, learning capacity, political skill, and determination possessed by Gorbachev to seize the issue and radicalize the policy agenda time and time again. There is, then, a place in any complete explanation for individual, not just collective, learning, just as there is a place for individual leadership skills in any complete effort to explain the outcome of political competitions.
VI. THE SCOPE AND LIMITS OF LEARNING

During Fall 1990, a rancorous debate broke out among Soviet leaders and their advisers as to which variant of economic reform to adopt. Several rival commissions and committees, variously representing Gorbachev, Yeltsin, or Prime Minister Ryzhkov, worked on competing variants. At several points in time, an enlarged commission was charged with merging or reconciling conflicting programs. By December 1990, the Russian Republic Supreme Soviet had enacted into law the most radical variant, the Shatalin Plan, while Gorbachev led the fight in the USSR Supreme Soviet for a less far-reaching variant of radical reform. The debate over these competing plans is instructive, for it alerts us to the limits of collective learning that continue to impede the effort to marketize the Soviet economy. But it also alerts us to how misleading it can be to dub Ryzhkov's plan "conservative" (except relative to the less conservative, or more radical, competitors). A sea-change has taken place in Soviet elite discourse. In this section, I will draw on that debate to deepen our understanding of the scope and limits of the collective learning and consensus-building that has taken place.

When we examine the speeches of Ryzhkov, Gorbachev, and Yeltsin in Fall 1990, it is striking to notice on how much they agree. All three men treat as a given that the regime must soon effect the transition to a market economy, "destatize" ownership, demonomopolize industry and agriculture, develop a system of property rights to protect the
entrepreneur as the nucleus of a new socio-economic order, and integrate that order into the
global, capitalist economic order. This in itself stands in striking contrast to protagonists’
debates of the 1950’s through 1980s. The idea of the need for a market economy, and the
idea of the bankruptcy of the protectionist command economy as a vehicle for ultimately
achieving prosperity, have become the prevailing consensus among the members of the USSR
and RSFSR leadership teams. On these scores, the collective learning process has reached a
condition of near-consensus.

That consensus is in part a product of the purging of anti-market forces from the
leadership and the forcible shift of the political spectrum to the left. But it is also a product
of an evolution in the stated perspectives of centrist forces, as represented by Prime Minister
Ryzhkov.

Yet, as striking as the unprecedented consensus on the need for a market economy is
the level of disagreement regarding the character of such an economy and the costs to be
borne in building such an economy. When Ryzhkov addressed the USSR Supreme Soviet on
September 10, 1990, for example, he made those differences clear. He insisted on several
points that authors of the "500-day Plan" apparently disagreed with: 1) the priority of
economic stabilization over marketization and privatization in the near term (indeed, the
treatment of stabilization as a prerequisite for, rather than an accompaniment of,
marketization); 2) maintenance in place of "all-Union management bodies" as agents of the
stabilization process; 3) a "one-time but state-controlled price increase" to reduce the ruble
overhang, plus maintenance of controls over retail prices until the stabilization program has
done its job; 4) maintenance and expansion of social programs geared toward buffering poor
people against austerity programs, inflation, and other examples of "the market's negative manifestations"; 5) treatment of private land ownership as only one among many forms of permissible ownership forms; and 6) the establishment of a federal, not a confederal, relationship between the center and the republics.

A comparison of Ryzhkov’s speeches with those of Yel’tsin and his advisors reveals that these are indeed significant points of difference. Gorbachev has endorsed some of Ryzhkov’s points, while dissenting from others. We need not treat the fine points here. For the purposes of this article, however, it is striking to note the nature of the disagreements. Two of the six points of disagreement can be treated in terms recognizable from earlier debates about economic reform: protection of the working people against market insecurities and shocks; and ideological qualms about private property. In both cases, the issue is the social and ideological price (and the risk of political instability) to be borne in replacing the command economy with its alternative. To be sure, the reservations expressed by Ryzhkov are far more limited than were those expressed by, say, Brezhnev and his supporters in the late-1960s. But the terms of reference remain analogous.

The other four points of disagreement, however, are new. They relate to the appropriate strategy of transition to the market economy and the nature of the Soviet state (federal or confederal) to emerge from the process of transition. These are entirely new issues in the Soviet elite debate about economic reform. In the past, the issues were whether the command economy was bankrupt or not, and whether the ideological, social, and political costs of an alternative economic system were worth bearing. The learning process that took place during the 1970s and 1980s led to a spreading consensus on
behalf of substituting a market economy of some sort for the exhausted command economy. But that was as far as the learning process went. Relatively little thought, much less leadership debate, was given to elaborating a strategy of transition. And no thought or debate was devoted to the interaction between marketization and pressures for republican independence.

Nor should this come as a surprise, for Western economists largely ignored these questions as well, concentrating largely on the need to replace the command economy with either a market, or a market-socialist, alternative. What's more, no regime had ever successfully made the transition from a command economy to either a capitalist or a market-socialist economy. Hence, Soviet leaders lacked a test of the viability of market socialism per se, as well as a test of a viable strategy of transition.

To be an effective contributor to problem-solving, learning processes require a stable frame of reference. When the situation changes fundamentally, or when the prevailing definition of the situation changes, lessons derived from earlier experience may no longer be applicable. That is precisely what has happened to Gorbachev's economic reform program. By the time he had built or forced a consensus on behalf of a market alternative, the conditions of budgetary deficit and repressed inflation had grown to the point that marketization and stabilization had become competing imperatives, even in the eyes of many market-oriented economists. This added further complication to a debate that was already somewhat deadlocked over the beguiling issue (even in the best of times) of how quickly to force through a marketization program: whether to adopt the shock-therapy approach or the "go-slow" approach advocated by others. Similarly, in the course of building a consensus
for market reform, the nationalities issue exploded unexpectedly. This forced the debate about marketization to become simultaneously a debate about statehood—a shift in the frame of reference that sowed irreconcilable divisions even among the most market-oriented politicians. All of which naturally complicated, not only the collective learning process, but also the political coalition-building process.

For all these reasons, the fate of marketization continues to hang in the balance. If the political costs of transition—in particular, social unrest and republic secession—become too great, we could witness a backlash against the idea of marketization itself. If, however, the consensus on behalf of marketization weathers the transition, it will be testimony to the strength of the collective learning experienced by the Soviet elite during the 1980s.
VII. CONCLUSION

The depths of the Soviet economic crisis, and the inability to avert it despite the minor reforms of the past, have certainly been necessary preconditions for the current Soviet commitment to marketization. But they have not been sufficient conditions. To understand why Soviet leaders only now have decided to genuinely marketize their economy, and to understand why earlier "reforms" were so limited in scope and conception, we must understand more about the process of decision-making. The interaction within that process among political competition, political ideology, and learning, I have argued, explains both the scope and the limits of past reforms. Specifically, we have seen that predictable variations in the process of political competition explain the timing of the reappearance of an urge to pursue more ambitious reform projects. However, political competition also provides incentives for rivals to undercut others' efforts to enact or implement a coherent program for radical reform. What's more, rivals have done so by invoking social, political, and ideological values that have been central to the regime's traditions. Over time, though, and in the face of the unworkability of partial reforms, a collective learning process transpired, which ultimately, when backed by Gorbachev's political muscle and an angry, mobilized electorate, led to an expanding consensus within the elite on behalf of replacing the old system with a market-based system. By the time this consensus had been built, however, the leadership became aware that issues of economic stabilization and republic-level separatism
could not be decoupled from strategies of marketization. Hence, dissensus on these very important new issues could as yet undermine the marketization process and the recently achieved consensus-in-principle.


12. On authority-building, see George W. Breslauer, Khrushchev and Brezhnev as Leaders.


14. Whether this was a product of broad consensus within the leadership as to the boundaries of acceptable change, or alternatively was a product of the perception of extremists (of either the right or the left) that such advocacy would have been politically a dead-end, is impossible to determine in the absence of candid memoirs or interviews. We cannot document the difference between advocacy that reflects personal beliefs and advocacy that is crafted to anticipate political reactions.

15. For documentation, see Breslauer, Khrushchev and Brezhnev, chapters 2-4.


17. Anderson, Competitive Politics and Soviet Foreign Policy, p. 150; see also Breslauer, Khrushchev and Brezhnev, chapters 8-10; Bruce Parrott, Politics and Technology in the Soviet Union (Cambridge, Mass.: The MIT Press, 1983), chapter 5.


20. Gorbachev's Struggle for Economic Reform, chapter 2.


23. Other aspects of timing seem too comparable to be coincidental. The 21st Party
Congress was held 5 years and 10 months after Stalin’s death. The 24th Party Congress was held 6 years and 3 months after Khrushchev’s overthrow. The Party Congress was held 5 years and 4 months after Gorbachev was chosen General Secretary. This suggests that it normally took about half-a-decade for a General Secretary under the old Soviet system to consolidate his ascendancy within the Party leadership. Stalin’s rise in the 1920s further supports this conclusion.


26. Documentation of the empirical claims made in this paragraph and the previous one appears in Breslauer, Khrushchev and Brezhnev, chapters 5-7; the article by Evsei Liberman appeared in Pravda, September 7, 1962.

27. This is a matter of some controversy in the Western literature on the politics of this period. I have argued (Khrushchev and Brezhnev as Leaders, chapters 8-10) that Brezhnev and Kosygin were at loggerheads on the reform program, and Anderson’s evidence appears to reinforce and broaden that conclusion (see footnote 16, above). Abraham Katz (The Politics of Economic Reform in the Soviet Union [New York: Praeger 1972]) emphasizes consensus within the leadership during 1965-66, which broke down thereafter, a conclusion that is endorsed by Peter Austin Hauslohner (Managing the Soviet Labor Market: Politics and Policymaking Under Brezhnev, Ph.D. dissertation, Department of Political Science, The
Yet even Hauslohner concedes that Brezhnev was not an enthusiast for the reform program, while Kosygin was. This is an important distinction, which could make Hauslohner's evidence and argument consistent with the synthesis I have proposed in the text. Hauslohner agrees, moreover, that the consequences of the reform process became a matter of political polarization within the leadership from 1967 onward, when Brezhnev led an anti-marketizing coalition that sought a middle road between marketization and a harshly disciplinarian approach (Ibid., pp. 335-347).


30. Aslund, Gorbachev's Struggle for Economic Reform, p. 11; for a thorough and brilliant demonstration of learning in the Soviet economics profession, first about the unworkability of old policies and assumptions, then about the desirability of experimenting with alternative assumptions and policies, see Hauslohner, Managing the Soviet Labor Market, chapters 5-8.


32. Ibid., manuscript p. 37.
33. For a good argument and demonstration that many military leaders have redefined the interest of the military in radical reform, see Russell Bova, "The Soviet Military and Economic Reform," Soviet Studies, Vol. XL (July 1988), pp. 385-405.


35. The notion that, at critical junctures, "compellingly parsimonious ideas" can have an important political impact has been argued in Steven Weber, "Interactive Learning in US-Soviet Arms Control," in Breslauer and Tetlock, Learning in US and Soviet Foreign Policy. As for the longer-term trend, it is pertinent to bear in mind Lord Keynes’ argument that "the power of vested interests is vastly exaggerated compared with the gradual encroachment of ideas" (cited in Matthew Evangelista, "Sources of Moderation in Soviet Security Policy," in Philip E. Tetlock, Jo L. Husbands, Robert Jervis, Paul C. Stern, and Charles Tilly, eds. Behavior, Society, and Nuclear War (New York: Oxford University Press, 1991), pp. 254-354.

36. See Ryzhkov in Izvestiya, September 11, 1990, pp. 1, 3; Gorbachev, in Izvestiya, September 18, 1990, pp. 1-2; Yeltsin in Sovetskaya Rossiya, September 2, 1990, p. 2; Gorbachev in Izvestiya, October 20, 1990, pp. 1, 3; Yeltsin in Sovetskaya Rossiya, October 17, 1990, p. 2.
