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Recommended Citation

Rett R. Ludwikowski, Gorbachev and His Reforms, 30 MOD. AGE 120 (1986).

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Gorbachev and His Reforms

Rett R. Ludwikowski

IN THE LAST year the Western press has given a great deal of publicity to the new attempts at economic reform in the Soviet Union. "Gorbachev Sets Shift in Economy," "Gorbachev's Vigor Holds Attention of Soviets," "Gorbachev Orders Wide 'Restructuring' of Soviet Economy"—these are the titles of only a few articles which examine Gorbachev's "breath-taking determination to make changes in the Soviet economy."¹

The general optimism as to the chances of Gorbachev's reforms that accompanied these comments was based on Gorbachev's vigor, on the fact that he was the youngest Soviet leader to attain the position of Secretary General of the Communist party of the Soviet Union since Malenkov and recently was the youngest of his competitors in the Soviet Politburo.² Gorbachev is also the first leader since Lenin to have completed regular higher education, and his dedication to the reform of the Soviet economy was proved in the summer of 1981, when his lobby tried to defend a radical reform of Soviet agriculture which was practically to exclude some sectors of agriculture from the system of central planning.³ The reform was never implemented because of the opposition of the conservative group in the Politburo (supported by Brezhnev and Prime Minister Tikhonov), but Gorbachev made his mark as a reformer.

The more cautious commentators try to remind us that Yuri Andropov in his first

major policy address also freely acknowledged that the previous period had not solved the Soviet bloc's most urgent problems and declared his determination to fight against inefficiency in agriculture, drunkenness, corruption, the black market, the general disintegration of the communist economy, and so forth. Some others mentioned that Andropov's predecessors had made the same declarations when first addressing the Central Committee. As Martin Ebon, author of a biography of Andropov, was able to show, Andropov's sharp criticism of the Communist bloc's managerial deficiencies was almost identical to remarks by G.M. Malenkov thirty years before.⁴

In 1982 the optimistic Western assessment of the "new era of Soviet reforms" stemmed from tales about Andropov's predilections for jazz, whisky, and Western novels. Now it is based on the fact that Gorbachev is "a man of a new generation," on his expertise in agriculture, and on reports of his visit to Great Britain, where he was portrayed as "a civilized diplomat" with a sense of humor, "bright and technically able to absorb new concepts of government and science."⁵ The American public can inquire with good reason: Why, despite these repeated optimistic prognoses, has nothing changed substantially in the Soviet economy since Krushchev? True, the system did not collapse, but also, until recently, it did not show any symptoms of a quick economic recovery. The

succession to the younger generation may result in attempts to introduce a new epoch of modest reformist transformations. It is even very likely that economic stagnation will compel Gorbachev to at least resume attempts at modification of the Soviet economy. Yet the success of the reforms is a function of a variable that is the sum total of many elements—social, ideological, economic, political. The personal characteristics of the Soviet leaders and their awareness of the deficiencies of the system are only one of the elements. As far as a substantive reconstruction, not a marginal modification, is concerned, the economically counterproductive elements of the system are more significant. They have worked and most probably will continue to work against any attempt at reform. They are worth careful examination.

*What Happened to the Communist
"Collective Mentality"?*

THE CONSTITUTION OF the Soviet Union says that state property—the principal form of socialist property—is subject to common ownership by the Soviet people (Article 11). Soviet citizens are obliged to preserve and protect socialist property (Article 61). According to Marxism-Leninism, respect for collective values was supposed to follow the growing unity of individual and society. Socialist doctrine promoted the ideas of ultimate equality, freedom, and justice, and offered a belief that these goals could be accomplished only by a total reconciliation between individual and social interest. Awareness of the superiority of shared interest to that of individual interest was supposed to create a so-called collective mentality—a precondition for the further evolution of society toward communism. On behalf of the collective interest, not only all means of production and distribution, but also social, moral, and even religious convictions were to be subject to public control. The individual's rights and duties were to be determined by society.

The attempt to create a "collective mentality" turned out to be a total failure.

The concept, which in a way typified the Old Bolsheviks, fell victim to corrosion in the decades of Stalin's rule. The fact that millions of people were encouraged and even forced to survive at the cost of others' lives could not but drastically affect public morality. The role of a collective in the formation of a socialist personality was decidedly crippled. In fact, party propaganda notwithstanding, the collective in any true sense posed a threat to totalitarian control. The real aim of the collective as it developed under Stalin was not to bring people together, but to serve as an instrument for the annihilation of the individual approach to life and to promote the complete atomization of society. Artificial communities created by the state were to destroy all genuine intermediate social structures. The destruction of all trust in mutual relations between people, the disintegration of family loyalty, and the denunciation of parents by their children were intended to weaken the distinction between truth and falsehood and to deprive individuals of the capacity to form their own opinions. Religious beliefs were proclaimed to be in clear contradiction to the materialistic philosophy of communism. The moral impact of the Church was blocked, but was never replaced by any kind of Communist morality. Socialist collectives, which had been expected to replace the Church's authority, never gained broad public respect.

The Bolshevization of society resulted in its cultural and moral impoverishment, in the leveling of all groups to the lowest common denominator. "Social justice," comprehended in this way, led in practice to the total subordination of private interests to some projection of "public good," which was usually offered by a relatively small group of social leaders, who only pretended to speak on behalf of society as a whole. The total unity between individual and society appeared to be nothing but a total destruction of human individuality. When we discuss the difficulties of the Soviet economy and the prospects of economic reform, all of these factors must be taken into consideration.

Ideological and Moral Background of the Economic Crisis

THE DECAY OF Communist ideology is undoubtedly a leitmotif in all debates over the crisis in the Soviet political system. Numerous commentators on Soviet domestic problems like to emphasize the total decomposition of Marxism-Leninism in the Soviet bloc. They argue that in today's Soviet bloc nobody takes ideological clichés seriously. Party leaders are cynical and the public hates communism. As Vladimir Bukovsky has written, "From top to bottom, no one believes in Marxist dogma anymore, even though they continue to measure their actions by it, refer to it, and use it as a stick to beat one another with: it is both a proof of their loyalty and a meal ticket."⁶

Some distinguished writers like Aleksandr Solzhenitsyn hold that Marxism-Leninism is a dead ideology in the sense that "even during its best decades it was totally mistaken in its predictions and was never a science." This completely false and harmful ideology is followed blindly by Soviet leaders, however. Their adherence to the precepts of Marxism-Leninism is a principal source of the numerous failures and blunders of the Soviet regime. "The spiritual renaissance of our country," argues Solzhenitsyn, "lies in our liberation from this deadening, killing ideology."⁷

Other writers, among whom Leszek Kolakowski is a prominent example, believe ideology is used in the Soviet bloc primarily as an instrument for legitimizing the power system. Kolakowski writes, "The socialist class of exploiters is not eager to retain and extend its power because it professes a false doctrine (after all, throughout history despots did quite well without Marxism); rather, they adhere to this doctrine as a tool to retain and extend their power."⁸

It is worth noting that discussion of the significance of Communist ideology usually concentrates on the most recent symptoms of ideological crisis, while seldom if ever considering the economic and

moral repercussions of ideological decay. This leaves an impression that the collapse of Communist ideology is a relatively recent occurrence. In fact, the role played by Marxism-Leninism has undergone visible transformations throughout the duration of Communist rule in Russia, and the ideological crisis has had much more extensive consequences than is usually recognized.

The Old Bolsheviks were masters of revolutionary techniques, but they had no experience in running a state. They knew how to subvert, destroy, and change; but they had little knowledge of how to build, create, or introduce more advanced institutions, better economic techniques, or improved agricultural methods. For them Marxism served as a sort of sacred guide to be followed almost blindly. But experience usually is a better teacher than theories are. The tenets of "genuine Marxism" often proved inapplicable in post-revolutionary Russia. Soon it appeared that the Bolshevik party, despite its adherence to Marxism, did not practice its basic assumptions. On the one hand, the Bolsheviks had to pervert Marx's theory for their own purposes; on the other, they were not able to create a new theory. The solution hit upon was to appear to adhere to the basic dogmas of Marxism, while imposing strictly controlled thought. The bigger their pragmatic deviations, the stronger they pretended to be the most orthodox followers of "scientific socialism." Marxism, or rather Marxism-Leninism (which means Lenin's Marxism), has never become a dead ideology. It played and still plays a significant role.

The theory of Marxism-Leninism is sufficiently flexible to provide general principles which can be adopted by the regime and exploited as its stable theoretical background. At the same time, no doctrinal tenets are sacrosanct under Soviet policy except insofar as they are useful to the ruling elite. As Daniel Bell has correctly pointed out, in the Soviet system "no single element of doctrine is a keystone whose removal would cause the collapse of Soviet ideology."⁹ The regime armed

with totalitarian machinery does not need a precise guide to its actions. What it does require is general confirmation that the leaders are moving in the right direction; it needs a theoretical justification, and Marxism-Leninism is able to provide this disguise.

Does this mean that ideology no longer causes Soviet leaders to act? In a literal sense, the answer is yes. This does not mean, however, that the role played by ideology is meaningless. Marxism-Leninism long ago ceased to serve as the main guide to action, but it did not disappear. Though pragmatic Soviet leaders do not follow Marx's recommendations literally, Communist rulers are forced to decorate their decisions and speeches with Marxian rhetoric. And this everyday contact with Marxist clichés and slogans has an inevitable impact on their mentality. After all, adherence to Marxism-Leninism can be a source of difficulty, but it can also be very convenient. When at a loss for a solution to a policy question, party leaders can open the "sacred books" and find some "phrase" which, in the future, can justify even the most stupid decision. Obviously, in such a situation, mechanical application of Marxism can only exacerbate the consequences of a former inept policy, but the ideological façade is a useful weapon until a stronger contestant is able to pin a "revisionist" label on such an interpretation. Viewed from the perspective of a Soviet leader, then, ideology can serve as a means of legitimization and delegitimization of political, economic, and social decisions—an excellent weapon in political and internal struggles, a justification of any international strategy. And, after all, it provides a stable theoretical background for the system.

Ideology has also played an important social role. Its unifying function—its role as a sort of "social cement"—has often been pointed out by Western political thinkers.¹⁰ Ideology helped the ruling elite to maximize its control over the thinking and actions of individuals. It was a priceless method to mobilize public energy, an excellent instrument of political manipula-

tion, an important means of shaping a political culture of the society. Indoctrination was an effective form of political socialization which involved individuals in the political system.

Ideological manipulation, once its efficacy was discovered, was continually exploited to totally invade the peoples' minds. The state-controlled press and broadcasting system were transformed into one big "machinery of the lie." Political education reached all groups in society. Special political schools, universities of Marxism-Leninism, study circles in the army, and special committees of political enlightenment in factories and in "houses of culture" were bound to create a "new communist individual" totally subservient to the party.¹¹

Despite all these precautions, it did not prove true that "lies continuously repeated sound like truth." The common sense of the public has never been totally destroyed by party indoctrination. True, some people began to accept ideology without question. The permanent repeating of the same ideological lessons "totally stripped them of critical thought."¹² Others, however, ceased to react at all to ideological stimuli. The effectiveness of ideological manipulation has weakened considerably in the last forty years. The repeated Soviet "counterrevolutions" and "periods of deviations"—the successive disclosures of the fallacies in the regime—had gradually destroyed the "magic" of Marxism-Leninism.

This growing ideological crisis has been most strongly felt in the middle ranks of society in the Soviet bloc. This "center" of the social structure of a Communist society consists of three important groups. The first—consisting of those who live in so-called internal emigration—includes those who are almost totally indifferent to political issues, neither believing in ideological clichés nor willing to fight against them. They do not accept the regime, but their main concern is merely "to be left alone." The second group, the passive observers, brings together skeptics and opportunists, who do not refuse participa-

tion in the regime but try to minimize it. Though not believing in the Communist ideology, they are ready to follow cynically those who offer the biggest benefits and to pay lip service to those ideological clichés which are most profitable at the moment. The third group—and the one which is most important for Communist leaders—consists of the “active participants,” who really believe in the regime’s ideological goals and are wholeheartedly engaged in the creation of “a Soviet World Republic.” This group provides the party with members who are ready not only to make party careers, but also to fight for the future of communism. The continuous dwindling of this group, which in certain Communist-ruled countries has almost ceased to exist, is the most spectacular effect of the crisis of Communist ideology.

The window-dressing character of Marxism-Leninism has had important social, moral, and economic repercussions, however, which were scarcely noticed at the time either by Communist rulers or Western commentators. The fact that ideological criteria were losing credibility as the standard of social behavior inevitably led to the creation of a double standard of public morality. Under pressure from the regime, the public had to observe ideological tenets although they could not be forced to respect them. Books without substance, even if they are useful decorations, are not taken seriously.

Ideology served for a while to hamper the process of moral corrosion in socialist societies. Communism itself is a sort of religion. The blind belief in Marxist-Leninist dogmas deprived society of the capability to think independently; but ideology did serve, on the other hand, to provide a sort of “quasi-moral” dogma which reduced the pure cynicism of individual attitudes. As ideological values began to lose their authority, however, this resulted in a further drastic decline in public morality. The awareness of ideological decay corrupted a generation of party members. They came to understand

that, in fact, coercion is useful not to protect ideological values but to protect their own privileges—privileges which are obtainable by simple loyalty to the party elite and which, in any other circumstances, would not be tolerated by society. The lack of ideological illusions helped create what Lenin called “conventional hypocrisy.” The devaluation of ideology has had an equally demoralizing effect on the rest of society. Workers began to realize that a double standard of morality means one morality for the party elite and another for nonparty people and even for ordinary party members. They realized that corruption had become institutionalized by the system—so much so that it had become the unofficial method of distributing goods which were scarcely available on the open market.

This realization has become a major detriment to the system of public property: the central characteristic of communism. The ordinary citizen argues that if state doctrine is only a façade, then public property—sanctified by the ideology—actually belongs to no one. Hence the “seizure” of public property has nothing to do with theft. It is prohibited by law but not stamped by public morality. Or rather, to be more precise, there are two public moralities, official and private. If an act of “seizure” of public property is officially revealed, an individual will be publicly condemned; otherwise, even if the act is broadly known, he will not meet public ostracism but, in many instances, understanding and assistance. In the double standard of public morality, the rule of “live and let live” has become sacrosanct.

For decades party leaders believed that the state derived many benefits from this rule, which was commonly known and accepted by the authorities. According to an unofficial party interpretation, it made sense to tolerate a moderate level of corruption. Among its advantages from the state’s point of view was the fact that the public seemed more intimidated, more dependent on the authorities, more controllable. Under such a system, those who steal can be condemned at any time. If

public opinion accepts that everyone steals if he wants to live, it will accept the fact that everyone can be punished if the state so desires. The individual must live with the impression that the state's tolerance can cease at any time.

This does not mean that the Communist party consciously created the system of "double morality." The party simply accepted it and tried to derive from it as many benefits as possible. Every coin has two sides, however. With time the advantages of such a strategy seemed less and less clear-cut. The collapse of public morality contributed explicitly to all of the distresses of the Soviet economy mentioned above: low labor discipline, neglect of equipment, absenteeism, bribery, unproductive work, total lack of interest in quality output, and so forth. Society created new unofficial techniques of social compensation for the unfairness of communism, methods of competition for benefits available only in backstage struggles, means of circumventing the pretended social equality. The system created not only a black market and other corruption, but also unofficial channels through which decisions of all kinds are made. A "double morality," in fact, is linked with the "double life" of the whole society.

As Arnold Beichman and Mikhail S. Bernstein have pointed out, "The 'second economy,' or the 'gray-black' economy, is what makes the Soviet state function. The 'second economy' is what makes life bearable for everybody. The consumer can obtain various kinds of food, goods, and services otherwise unobtainable in official shops. The people who provide these foods, goods, and services profit and can in turn better their life through the 'second economy.' The 'second economy' system is what provides the incentives for people to produce. To weaken these incentives by a drive against 'corruption' will decrease what productivity exists now."¹³ Lower-level party leaders watch carefully for every possibility of grasping privileges which they still do not possess. Backstage mechanisms, corruptive techniques, unofficial strategies—all are part of their

repertoire. Thanks to the lack of democratic control, such techniques are inherent in the Bolshevik system of power, which protects all its fossilized components. The Soviet "vicious circle" is also closed around the sphere of public morality.

The "Dictatorship of Ignoramuses"

A QUESTION WHICH is often put to newcomers from the Eastern bloc concerns the competence of the *nomenklatura* people, who occupy hundreds of thousands of important posts in science, education, agriculture, and industry.¹⁴ Is it really true that their ineptitude results in incalculable losses for the Communist economy? Are they really so incompetent and their decisions so foolish? Before we delve deeper into this problem, some explanation of the transformation the system of party bureaucracy has undergone in the post-Stalinist period will be required.

The death of Stalin began a new era for the regime. It was obvious that the system created by Stalin had been consolidated and that the absence of its creator did not jeopardize its basic tenets. The crucial principle of one-party rule, which in fact meant the power of a small elite headed by a single leader, was left untouched. Yet the system required some modification. In Stalin's time, even the top-ranking members of the party elite felt extremely insecure. This inevitably reduced the appeal of a party career. The younger generation of party leaders was much more pragmatic, much less dedicated to revolutionary ideas. They wanted to enjoy their "share in power" without the risks that had accompanied their predecessors' endeavors.

At the same time, the system of "supplementation" of the acting party elite required some improvement. Krushchev's generation understood perfectly Vilfredo Pareto's theory of the "circulation of elites." The rule of the party elite, "the guiding force of the proletariat," was taken for granted as well as the truth that elites ruled in all societies. Yet their success depended upon their degree of flexibility.

Only "open" elites, which were ready to co-opt the most flexible social elements, were able to survive. Based on this premise, the Communist party concluded that it had to involve more groups in its politics by giving them the impression that they might be able to participate in the decision-making process. The only qualification for co-optation into higher ranks was to be acceptance of the politics of those currently running the party and skill in presenting ideological clichés.

In looking for recruits, party leaders obviously sought people from whom both loyalty and expertise could be expected. Unfortunately, the combination of both characteristics in the same people was hard to find. In fact, a system based on arbitrary decisions frequently changed by the party leaders could not really welcome experts. On the contrary, professional skills and values were incompatible with the principle of *partiinost*, which declared that the party was always right. The system led to the method of "negative selection," which promoted only compliant, conformable yes men. Individuals who combined this trait with a particular ruthlessness had the best prospects for party careers. In fact, *nomenklatura* did not require traditional education, but rather these "talents" of a special type. Party officers and managers were not selected on the basis of professional or even bureaucratic ability. Professionals who could think independently and criticize openly were disqualified as candidates for *nomenklatura* positions. To the party elite, reliability was far more important.

To perform routine activities throughout the country, the regime had to replace Stalinist terror with a more effective system of rewards and motivations. As a result, unaccountability, tolerance for irresponsibility, incompetence, and corruption became the price paid in exchange for loyalty of the *nomenklatura* to the party elite. As long as a person on the list did not act against the party elite, he usually could expect to remain in one *nomenklatura* position or another, regardless of his fit-

ness for the job. Anyone who demonstrated extreme stupidity or incompetence was simply transferred to another post, thereby developing the impression that, in exchange for his loyalty, he would gain security and the protection of the system.

The party elite consisted of persons who, though they competed among themselves, were capable of mutually supporting one another against threats from outside the party system which could jeopardize their careers. Thanks to these arrangements, the system was relatively fluid and able to survive the long period of totalitarian rule. The multitudinous *nomenklatura* allowed the Communist party to involve a sizable group of adaptable people in its affairs. To be on the *nomenklatura* list meant having a better-paying job, a better apartment and a car, better and quicker prospects for promotion to a higher bureaucratic office, an impression of protection and immunity, and participation in the decision-making process. In return, one had only to follow the party line. To oppose this line meant being deprived of everything; it meant having one's career ended instantly.

The successful climb to the top of the party pyramid instills in the mind of an *apparatchik*, or party technocrat, the conviction that ruling others is his own personal right. He begins to treat a Communist enterprise, factory, educational center, or hospital as his own possession. A member of the *nomenklatura* experiences an emperor-like power in his territory. He begins to reward friends and relatives, punish enemies, and modify decisions in return for bribes. The process of climbing to the top seems itself to legitimize his conduct.

In a closed society that does not tolerate any open criticism, professionals will always pose a threat to the secure position of the leaders. Incompetent party leaders personally not only interfere in detailed economic problems, but also apparently even feel an obligation to do so. Every step in their political careers teaches them that the party is infallible

and that they share infallibility of a sort with the entire organization. The party and its vanguard cannot err. This system does not need and cannot endure experts who could reveal the mistakes of the ruling elite. Mistakes are not possible because "a defeat" is something alien to communism. That reasoning closes this "vicious circle"; if the party and its leaders cannot be wrong, then every economic failure of the acting leadership must be presented as a victory. Except during periods of succession crisis, when predecessors can be criticized, the leadership shows a total inability to break out of this economic and political deadlock. The "dictatorship of ignoramus" (as it was called by Stefan Kisielewski) is a permanent component of the Soviet system.

What Handicaps the Decision-Making Process?

EVERY STUDENT OF bureaucratic structures knows well that no decision-making process can prove effective without at least several basic elements: competence, information, coordination, responsibility of policy-makers, control over the implementation of decisions, and capability to learn from mistakes. In the preceding examination, the first item on this brief list was found sadly lacking. It must be said, besides, that the Soviet system is equally deficient in the rest of the necessary elements.

A study of how policy choices are made in the Soviet bloc finds that central planning, the policy-making process, and the implementation of crucial decisions are profoundly affected by the permanent lack of proper information. All bureaucratic organizations are built to act on rational premises. It is true that decision-making always involves some nonrational components when decisions take place under uncertainty and when the consequences of the choices are unknown. But the problem that handicaps the socialist economy is not simply the presence of nonrational factors in the decision-making process, but rather the overwhelming degree to which such nonrational deter-

minants contribute to the final decision. Because of the predominance of non-rational factors, important choices are made without proper calculation, and wild predictions take the place of rational cost-benefit analysis. In the socialist system, which not only lacks proper information but is actually based on misinformation, the odds of increasing the role of rational factors in planning and decision-making are quite small. Without proper information, socialist decision-making processes will never fit the rational model.

Why is adequate information unavailable in Soviet economic management? It has often been emphasized by Western analysts that misinformation is a significant strategy in Soviet foreign policy and that propaganda and censorship help to manipulate political attitudes in the Soviet bloc.¹⁵ To exist, the system has to be protected from real information. Only selected information without alternatives can be approved. Information shapes the political culture of society, and Communist leaders cannot afford to relinquish the dissemination of information which serves as a convenient instrument of power. While misinformation was seen as the means of subjugating society and manipulating public attitudes, it was presumed that the party elite, which had at its disposal a widespread system of police control, was itself perfectly informed about the true state of things. The numerous party cadres subordinated to top party leaders were supposed to help maintain military control over the country, monopoly control of all means of communication and education, and complete state control over the economy; they were also responsible for providing perfect information to their superiors. This is a complete misunderstanding of the real situation in socialist countries. The system which successfully keeps individuals totally obedient and almost completely deprived of all forms of privacy is entirely lacking any effective means of economic information or control.

In fact, the large number of overlapping intermediary organizations badly hampers

the decision-making process. Functionaries of all ranks are equally interested in "success" and ready to misinform the central authorities. The hierarchical pyramid of control simply does not work. If the party cannot be wrong, then "success" must accompany all Communist economic endeavours. This accounts for the fact that the party is totally incapable of learning from its mistakes. The constant push for economic success leads to the "overfulfillment" of all plans and the inclination to "maximize" output without regard for quality. It leads managers who are rewarded only for "successes" to conceal the real inefficiency of their enterprises. In a system in which production of predetermined quantities is the essential indicator of success, there are weak incentives to strive for more efficient production or reduction of expenditures.

Misinformation is implicit in the organizational inadequacies of the Communist system. Some managers fake the accounts; others artificially exaggerate the quantity of production. In Polish coal mines, Solidarity revealed the existence of special machines that were imported to mix rock and soil with coal to double the apparent output. And, what is more paradoxical, the central authorities prefer not to be well-informed. A friend of mine working on statistics at the police criminal office once explained to me how reports on criminal activity were put together. His task was to "improve" the data received from each police station to show a lower level of crime. "The Ministry of Internal Affairs," he explained, "would then review the composite report and most probably send it back for 'proofreading'—a euphemism for a downward revision of the figures. It is the routine procedure, repeated in each reporting period, regardless of the originally quoted figures." It is obvious that in this situation, providing the correct information would certainly amount to self-denunciation.

Inadequate information and deliberately distorted statistics handicap all economic planning and cripple all coordination. Harmonious functioning of the eco-

conomic sections for more effective results cannot properly be established, if for no other reason than the shortages of material of which production has been exaggerated in statistics. This causes supply dislocation and competition for resources between enterprises which, theoretically, should not exist in socialist industry.

Further contribution to the lack of accurate statistics and empirical data comes from the *partiinost* mentality of the Central Offices for Control of Press, Publication, and Performances. Their official Books of Directives and Recommendations set forth detailed instructions for the elimination of any negative comments on party decisions or any reference to official blunders or bungling. This obviously makes any serious discussion of economic fallacies impossible. Under such broad censorship, basic economic, social, and political information goes unpublished. Costly scandals and blunders in urban planning, housing, and agriculture; irrational decisions and investments; location and production facts are withheld from the public. All scientific disciplines which are based on statistics are hampered by such politics.¹⁶ Reliance on similar misinformation, economic naiveté unsupported by genuine economic research, and the arbitrariness of decisions made by central authorities go a long way toward explaining the economic weakness of all Communist countries.

Reformation proposals usually focus on a program of decentralization of the managerial system and emphasize the need for creating a system basing incentives on profit, increasing efficiency and discipline, giving greater responsibility to local managers, et cetera. Each new party "team" has repeated that the decentralization of decision-making could begin the real recovery of the Communist system. Each has soon realized, however, that decentralization is incompatible with the political aspirations of the Communist leadership. On one hand, it is obvious that, given the lack of proper information at the top, local managers are better equipped to deal with economic reality. On the other

hand, short of returning to a system of market stimulants, the system of central control could be replaced only by the supervision of local workers' committees. But this solution could endanger party dominance. Economic power, once shifted to the working class, would lead to the growth of political power for the masses. Communist theory assumes that political and economic resources of power are inseparable. The totalitarian system cannot be transformed into one that is merely authoritarian without posing a real threat to the ruling elite. Rank-and-file bureaucrats at the center are afraid of losing power, and their influence and even their jobs might be threatened. For this reason, attempts at decentralization have been uniformly superficial. In their final effect, such "reforms" have brought about only the further extension of bureaucracy and the creation of new intermediate bureaucratic structures which serve merely to convey the real decision made by functionaries at the center. Nor is this surprising, since both central and regional administrators want power, not responsibility. The center does not want to lose the appearance of economic control; the local agencies want to share power while bearing no responsibility for economic results. Barring fundamental changes in the system, therefore, it would be naive to expect that administrators will voluntarily accept more responsibility than absolutely necessary. People are not angels. It is difficult enough (and Communists disregard this totally) for them to be human beings.

TO RECAPITULATE MY analysis, I do not expect a recovery of the socialist economy for the following reasons:

(1) The system has forever destroyed the so-called collective mentality, which was supposed to be a basic component of Communist political culture.

(2) The crisis of Communist ideology is irreversible. The belief of the masses in Marxism-Leninism cannot be reconstructed, yet socialist leaders will not give up obsolete dogmas because they do not know how to function without them.

(3) The ideological crisis has undermined the rudiments of Communist morality and corroded all Marxist-Leninist values, including the key dogma of common ownership.

(4) The moral and ideological crisis has killed all healthy incentives among workers and managers.

(5) Without the rudiments of democracy people can be forced to work, but not to work efficiently. They will operate pursuant to the principle: "Those at the top pretend to share power with us; we pretend to work." On the other hand, democratic transformations are too dangerous for the ruling elite. They are simply incompatible with the totalitarian framework of the system.

(6) The double standard of morality, together with massive economic dislocations, has created a black market and other corruption, which have been tolerated for so long that they are now irrevocably integrated in the way of life in Communist countries.

(7) The need for creating a relatively open party elite forced the party to build a system of "negative selection" that promotes compliant, conformable yes men, who care far more about their careers than about the system of Communist values.

(8) Lack of competence, widespread corruption, and unaccountability of decision-makers are incompatible with the basic principles of economic efficiency.

(9) Lack of information, coordination, and proper control over the implementation of productive decisions, coupled with a form of decentralization that is more apparent than real, cripple the socialist system of central planning and decision-making.

(10) Without the party bureaucracy and *nomenklatura* people, the party cannot function; but with them, no reform is possible. Both are key ingredients of a system which can be crushed but not reformed. They are an inseparable part of the system.

In 1982 some Western scholars referred to Andropov's plan of reform as "the task

of Hercules in cleaning the Augean stables."¹⁷ To the extent the "task" refers to real reform and not a tiny "cleaning," the attempts of Gorbachev will more nearly resemble the Sisyphean Labors. The system itself has suppressed economic vitality and spontaneity, protected its own incurability, and locked its leaders in the "vicious circle" created by their pre-

decessors. If I am asked whether this "vicious circle" will compel the Soviet leaders to return to the negotiation table (after Reykjavik talks) my answer is affirmative. If the question refers to the chances for economic recovery of the Soviet system, the answer follows the old Roman formula: *Quod natura negat, reddere nemo potest*.

¹*The Washington Post*, March 12, June 4, 12, 16, 17, and 21, 1985. ²Lenin when he reached this position was 47, Stalin 50, Malenkov 51, Krushchev 59, Brezhnev 58, Andropov 68, Chernenko 71. ³See Arnold Beichman and Mikhail S. Bernstam, *Andropov: New Challenge to the West* (New York, 1983), pp. 198-208. ⁴Martin Ebon, *The Andropov File* (New York, 1983), p. 132. ⁵*The Washington Post*, March 12, 1985. ⁶Quoted in Donald D. Barry and Carol Barner-Barry, *Contemporary Soviet Politics: An Introduction* (Englewood Cliffs, N.J., 1982), p. 37. ⁷Aleksandr Solzhenitsyn, *Warning to the West* (New York, 1976), p. 114. ⁸Leszek Kolakowski, "Ideology in Eastern Europe," in *East Central Europe: Yesterday, Today, Tomorrow*, ed. Milorad Drachkovitch (Stanford, Calif., 1982), p. 45. ⁹Daniel Bell, "The End of Ideology in the Soviet Union," in *Marxist Ideology in the Contemporary World—Its Appeals and Paradoxes*, ed. Milorad Drachkovitch (Stanford, Calif., 1966), p. 107. ¹⁰Compare the views of Joseph M. Bochenski and Daniel Bell, *Marxist Ideology in the Contemporary World*, pp. 60-120. ¹¹See Robert Conquest, *Politics of Ideas in the USSR* (London, 1967), pp. 97-117. ¹²Compare the examination of A. Zinoviev's points on this matter in Kolakowski, "Ideology in Eastern Europe," p. 44. ¹³Beichman and Bernstam, *Andropov*, p. 202. ¹⁴The

system of *nomenklatura* was established during 1946 and 1947, and it consisted originally of about 40,000 newly promoted officials and newly approved old *apparatchiks*. In the 1950s this network was substantially extended. See Beichman and Bernstam, *Andropov*, p. 103. ¹⁵See Richard H. Schultz and Roy Godson, *Dezinformatsia, Active Measures in Soviet Strategy* (Washington, 1984). ¹⁶The official book of censorship reads like a historical novel. Here are a few examples from one of them: "Figures illustrating the state and growth of alcoholism on a national scale are not to appear in the mass media." "All information about the direct threat of industry and the use of chemicals in agriculture to human life and health must be expunged." "Information concerning Poland's purchase of licenses from capitalist countries is to be eliminated from the mass media." "All publications presenting general statistics with regard to conditions of safety and hygiene at work or to occupational diseases must be withheld." "Absolutely no information is to be published concerning the Katowice mine disaster in which four miners lost their lives." *Official Censorship in the Polish People's Republic* (Ann Arbor, 1978), p. 4. ¹⁷Ebon, *The Andropov File*, pp. 128-29.