Contracts in Conflict: Perestroika and the Decline of Soviet Legitimacy

Hokenmaier
CONTRACTS IN CONFLICT: PERESTROIKA AND
THE DECLINE OF SOVIET LEGITIMACY

by

Karl Glenn Hokenmaier

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Gorbachev's perception of the Soviet Union's socio-economic crisis and his subsequent actions to correct the economy and reform the political system were linked with attempts to renegotiate the social contract between the state and the Soviet people. However, reformulation of the social contract was incompatible with the conditions of a second arrangement between the leadership and the nomenklatura—the Soviet ruling class. The failure of Gorbachev's reforms and the decline of Soviet legitimacy were linked to the irreconcilability of the nomenklatura's "political contract" and the social contract.

The construct of the social contract was utilized to represent the Soviet state-society relationship and provide a framework for the analysis of social conflict during the Gorbachev years. The social contract offered an effective model to depict the expectations and obligations of the state and society, and evaluate state legitimacy based on contract performance.
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Hokenmaier, Karl Glenn, M.A.
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CHAPTER I

INTRODUCTION

The Paradigm of Soviet Governance

What has been called by many a social contract, an agreement describing the basis of relations and obligations between a state and society, existed in the Soviet Union at least since the time of Nikita Khrushchev. Scholars may disagree exactly when this understanding of Soviet governance was conceived--some would argue under Stalin--but its existence by the time of Khrushchev is widely accepted and documented (Adam 1991; Cook 1992; Hauslohner 1987; Ludlam 1991; White 1986). This agreement was initiated by action of the party-state and signified its intention and commitment to represent the interests of the working class, the beneficiaries of the Soviet socialism. It described the obligation of the state to provide cradle-to-grave social benefits, internal order, and national security in exchange for society's submission to Communist party rule and the sacrifice of civil rights and liberties.

A second contract, which further defined the attributes of Soviet governance, also existed. That agreement--which shall be referred to herein as a "political contract"--defined the rights and privileges of an elite Soviet group, the nomenklatura, which were given in exchange for their loyalty, support,
administration, and leadership of the Soviet state. The political contract represented members of the party and state bureaucracies, military and heavy industrial interests—those who derived benefit from Communist Party affiliation or their association with the Soviet political elite—and even included the Soviet leadership. According to Nove:

[This] ruling stratum could perhaps be formally defined as those persons holding appointments deemed to be significant enough to figure on the central committee’s establishment nomenclature of such appointments, i.e. who are on the nomenklatura. They are, literally, the Establishment. . . . this covers all spheres of economic, social, cultural or political significance (1975, 615).

Several scholars acknowledge a special relationship between the nomenklatura and Soviet leadership (Hill and Lowenhardt 1991; Nove 1975, 1983; Rigby 1988, 1990; Ulam 1992). While none do so in terms of a specific political contract between the Soviet state and a ruling class, their acknowledgement of such a tacit arrangement is evident. Nove’s 1975 examination is cited repeatedly to authenticate the nomenklatura as a privileged ruling class and confirm its special relationship with the Soviet leadership.

Taken together, the party-state’s agreements with the working class and nomenklatura defined the terms and conditions for the legitimation and institutionalization of Soviet governance. At the same time, this was a fatal flaw of Soviet rule. The provisions of the political contract were in natural and irreconcilable conflict with the at-large social contract. The party-state could not represent both its own privileged status, as the nomenklatura, and simultaneously
the interests of Soviet society at-large. The nomenklatura required preservation of the status quo to protect its ruling class privileges and, therefore, maintaining the authoritarian character of the Soviet state. Only a rigid social structure and sustained economic abundance permitted the party-state to support the conditional requirements of both the political contract and its arrangement with society—and put off the inevitable clash. Enhanced social mobility, the opportunity for political expression, a situation of scarcity or any combination of the three could bring them into open conflict, as happened under Gorbachev.

When Gorbachev came to power in 1985 the Soviet Union was in the midst of an economic decline which had started in the 1970s. As a consequence, the ability of the Soviet regime to meet its obligations under the at-large social agreement was in jeopardy. Recognizing the peril poor economic performance presented to the legitimacy of Communist party rule, Gorbachev began at once his attempt to satisfy the social contract. He sought to do this in two ways: by getting the Soviet economy moving and simultaneously reducing the state’s obligations under the social contract. In the 1985-1987 period his effort was characterized by the policy of glasnost, a mixed agenda for economic stimulus and administrative reform, and initiation of the social contract’s reformulation. By early 1987 it was clear Gorbachev’s initial economic strategy had failed—the implementation of his policies had been rebuffed by the nomenklatura and the economy was still stagnant. Owing his lack of success to the need for political reform, Gorbachev began to emphasize democratization—political reform—as
prerequisite to his economic perestroika--restructuring. Bernstam, acknowledging the changes taking place within the Soviet Union in late 1987, offers:

I can see only one explanation that simultaneously accounts for all the economic, social, and political aspects of the Soviet reform: the new Gorbachev administration is renegotiating the social contract between the government and the people.

A crucial reason for the recent democratization drive was given in the General Secretary's speeches last July and August and later elaborated in the Soviet media. Significant popular dissatisfactions with living conditions and resentment of the ruling elite have accumulated in the Soviet Union--to the point where the leadership fears a possibly serious clash between the people and the government. To mitigate this discontent, the Soviets have begun to recognize publicly the extent of mass misery and the collapse of the Soviet welfare state, and have promised a caring hand. An institutional democratization, the establishment of legal guarantees against abuses of power, and a more open press should validate the Soviet leaders' promissory note for a new social contract (1987, 40).

Social Contract Doctrine and a Soviet Construct

In order to standardize professional parlance and facilitate precise communication, political scientists have constructed and adopted concepts such as the social contract to describe particular political arrangements and conditions. In this examination the structure of a political contract is proposed to represent a unique compact, not yet assigned an analytic descriptor, to more precisely depict another type of political arrangement. In particular, it describes an arrangement between a ruling oligarchy and its administrators, different than a social contract, and helps to better illustrate the terms and conditions of Soviet governance.

The danger in use of constructs like the political or social contract is that incremental changes in their meaning, piled up over time by different scholars and
analyses, can finally alter the very essence or nature of their original meaning (Sartori 1970). Added to, modified, and deleted from— they may finally come to represent something that is, by comparison, fundamentally different and no longer similar to the original idea. They may also take on several casts with usage, meaning different things in different contexts, as has happened with the social contract. Commonly associated with western, liberal thought on state-society relations, the social contract has lately come into use to describe authoritarian forms, in particular, the nature of Soviet governance. As a construct for analysis of the Soviet Union, the social contract does have utility, but it requires further explication. To that end, a review of social contract doctrine and a Soviet construct is examined below.

Origins of the Social Contract Doctrine

Current social contract theory connotes such democratic values as individual liberty, consent of the governed, and representative government; but it was not always so. The development of modern social contract theory began at the end of the Middle Ages, at the same time the territorial nation-state was emerging, mostly as a secular challenge to the absolute power of the divine monarch. The appearance of this new political unit, with its territorial prince and independent law-making and enforcement powers, represented a victory for the secular state over the authority claimed by the papacy and the Holy Roman Empire. Social contract theorists defended the new secular state and its monarch,
based on the concept of a natural law which explained the organization of human
society as the outcome of rational man's first obligation--self-preservation. They
declared the right of a society to initiate its own organization under a "contract
of association" and then to select a monarch upon whom to confer absolute
sovereignty. Social contract proponents asserted that the organization of society
and its institution of government were described by contracts of society and of
government. Taken together, these contractual arrangements defined the political
community and explained the basis of relations and obligations within society and
between the society and its government.

In the modern era, the idea of the social contract gained popular political
currency with the writings of Thomas Hobbes, who published during the great
political unrest of seventeenth-century England. That period saw the revolution
of an emergent civil society against the monarchy and state religion. The very
foundations of society and human governance were shaken and fundamentally
altered during that era with the transfer of sovereignty from the divine to the
secular state. Neither a democrat nor a supporter of divine monarchy, Hobbes
advocated the institution of an absolute secular monarch as the best governmental
form for his Leviathan state.

Following Hobbes, political theorists like John Locke and Jean Jacques
Rousseau introduced to social contract doctrine more democratic values which
they employed, with the notions of popular will and consent of the governed, to
attack the absolute monarch. Locke is "often referred to as the philosopher of
the American Revolution and credited with supplying Americans the critical concepts of social contract, natural rights, men born free and equal" (Handlin and Handlin 1989, 546). He advocated human freedom and political power--individual liberty under government--and the right of a sovereign people to rebel against arbitrary government. The legitimacy of government was a major concern to Locke, based on the concept of consent of the governed which is implicit in the theory of the social contract. Thus, his preference for governmental form was representative democracy, which he left without qualification or procedure, but seemed to favor an aristocratic composition as better qualified. Locke may have believed all men were born free and equal, but equality did not extend to status or political rights.

The American experience has not witnessed the disappearance of social inequalities, especially as related to wealth, but it has levelled the playing field for political and social opportunity. "One person, one vote" and majority rule, due process and equal protection of the law, and social welfare programs are essential elements of American democracy. And to the concepts of consent and the social contract passed down from Locke, America added from its "practical experience, which linked social order and discipline to a continuous process of popular approval" (Handlin and Handlin 1989, 554). Individualism, representative government, consent of the governed, and limited government are vital elements of the liberal concept of the social contract concept in western thought today. In the words of Riley, social contract theory is the
doctrine that political legitimacy, political authority, and political obligations are derived from the consent of those who create government (sometimes a society) and who operate it through some form of quasiconsent, such as representation, majoritarianism, or tacit consent (1982, 1).

**The Social Contract and a Soviet Construct**

Hypothetically, the fashioning of a social contract requires initiation by the willful and voluntary consent of those desiring an organized society, who may then institute a government to represent their common will. The resulting status of civil liberties, civil and social rights, and the authority of government reflect that will. The institution of government does not constitute a transfer of sovereignty from the people, but rather a limited empowerment to act on behalf of society's common interests. The function of government is strictly to represent, administer, and execute the general will, not to replace or usurp the sovereign people. The existence of such an agreement is made implicit in the recognition by both society and government of their commitment to perform or deliver services in some expected fashion. In exchange for the state meeting its obligations under the contract, the individual agrees to accept the legitimacy of the government to rule and exercise coercive and authoritative societal powers.

Barker instructs the theory of social contract is really of two parts: a contract of government and a contract of society.

The theory of a contract of government is a theory that the State, *in the sense of the government*, is based on a contract between ruler and subjects. It is possible to stop at this point, as many thinkers did; but if we continue
to reflect, we shall begin to see that though we have come to a stopping-point we have not yet reached the stopping-place. The theory of a contract of government really postulates, as a prior condition, the theory of a contract of society. There must already be something in the nature of an organized community—in other words, a potential body of subjects, already cohering in virtue of a common social will, as well as a potential ruler, ready to assume the burden of government in agreement with that will—before there can be any contract between ruler and subjects. . . we must conclude that the State, in the sense of a political community, and as an organized society, is based on a social contract—or rather on myriads of such contracts—between each and every member of that community or society (Barker 1960, xii).

This examination recognizes the contract of association—Barker’s contract of society—and contract of government as vital elements of social contract theory. Especially, the implications of those contracts for the concepts of representative government, consent of the governed, and limited government in the context of the liberal social contract are acknowledged. However, in this and many other contemporary studies, the social contract has been employed as a construct to describe the nature of the state-society relationship—even in conditions of a non-democratic nature. The manner and form of society’s association, representation, and consent are still considered critical properties of the social contract, invaluable for purposes of illustration, analysis, and comparison, but their having a democratic character is not considered prerequisite to utility of the social contract as a framework to depict the state-society relationship.

Clearly, the arrangement that existed in the Soviet Union between society and the party-state was not defined by the liberal social contract. What has been called the Soviet social contract was not the product of a bottom-up process
whereby consenting individuals willingly organized a community by an act of association and then empowered a limited government to act on their behalf for the general welfare. Soviet society was formed according to its territorial jurisdiction under a common authoritarian government. An oligarchy empowered to rule by right of its autonomous possession of authoritative power established an arrangement for governance of the Soviet political community. The Soviet state was not chartered by its people to perform specified functions; instead the ruling oligarchy determined its own terms and conditions of governance and those state services it would provide for society. The vanguard Communist party was presented as an alternative to popular institutions of representative government and the political expression of a Soviet civil society was repressed. Where the liberal social contract would describe a bottom-up system of political control, with ultimate authority residing with a sovereign people, the Soviet situation was otherwise--society was controlled from the top-down by the sovereign state. And, rather than a regime legitimacy based on the consent of the governed, it was determined by the socio-economic performance of the state. In fact, guarantees of socio-economic performance by the state were exchanged for the masses’ political submission to Soviet rule.

The Soviet Union . . . historically defined the social contract between its government and citizens in much more restricted terms. While it . . . emphasized the responsibility of citizens to the government, it has given short shrift to the rights of citizens vis-a-vis the government, especially civil and political rights. (Ludlam 1991, 288-289).

Notwithstanding the differences, the liberal social contract and the Soviet
arrangement shared certain similar properties. Both described the basis for state-society relations: the form and parameters of governance, the expectations and obligations of the state and society. Both existed through a willful and voluntary submission to a societal standard for behavior and expectations, to specific conditions which defined the institution of community governance. Neither were finished and immutable products, but in a perpetual state of reevaluation and reformulation as driven by society's changing conditions and expectations. These common attributes describe a "generic" social contract, albeit a modern one and not the historical liberal version. In the same way that the liberal social contract may be considered an alternate construct of this generic model, so can the Soviet.

A basic premise of social contract theory is that government exists for the benefit of the general welfare, to preserve internal order and protect national security. This condition was met in the case of the Soviet arrangement, and the process of social contracting did take place in the eyes of the regime and society.

The general idea of contract theory is that both regime and population contribute something that the other needs for its survival. In a general case, the government agrees to protect its citizens and to provide circumstances for their well-being, while the population agrees to acknowledge the legitimacy of the government, at least passively. Some scholars have argued that because Soviet citizens have not participated openly in government in the past--that is, they have not been voters in the Western sense--no contract could have been reached between the Soviet regime and its populace. I maintain, however, as do others, that the Soviet regime has been forced to consider the interests of the population in order to protect its own ability to govern (Ludlam 1991, 287).

In the absence of representative institutions to determine the consent and general will of its subjects, the Soviet social contract represented an agreement
by the party-state to provide social benefits and services to the population it ruled. Initiated by the state, its obligation to performance was self-imposed. The state’s claim to legitimacy was based on its tacit bargain to provide these services in exchange for society’s consent, or submission, to its authority to rule. As further compensation for its compliance, there would be minimal resort to state capacities for coercion and violence to ensure society’s political submission. This has been most appropriately called the Soviet "formula for rule" (Hauslohner 1987, 82), and elsewhere the Soviet Union’s "distinctive legitimation formula" (White 1986, 463).

The rationale for a Soviet social contract arranged at state initiative is also implicit in Lenin’s application of Marxist theory to the Soviet Union. He presumed the obligation of the Party to lead and represent the people; the power of the Communist party and the legitimacy of government by the party-state were justified by the scientific underpinning of Marxist-Leninist doctrine.

Marx was a political primitive. He could not develop a political science or a political theory, because he had no recognition of politics as an autonomous field of activity and no concept of political order which transcends that of social class. Lenin, however, elevated a political institution, the party, over social classes and social forces. More specifically, Lenin argued that the proletariat could not, by itself, achieve class consciousness. Such a consciousness had to be brought by intellectuals from without. Revolutionary consciousness is a product of theoretical insight, and a revolutionary movement is a product of political organization. The Social Democrats, Lenin said, must aim ‘to create an organization of revolutionaries, which leads the struggle of the proletariat’ (Bertram D. Wolfe, Three Who Made a Revolution (Boston, Beacon Press, 1955), p. 225, from Huntington 1968, 336-337).

However, for some time before Gorbachev it was clear that the legitimacy of Soviet rule did not rest upon the pillar of Marxism-Leninism. Ideology had
become no more than after-the-fact justification for actions taken by the Soviet state and its leadership. Although the structural origin of the Soviet social contract—the state's obligation to provide basic social welfare, internal order, and national security—occurred with Stalin and although he called upon Marxism-Leninism as the foundation for the legitimacy of Party rule, it could hardly explain the dictator's resort to coercion and terror. The ascendancy of Khrushchev brought a true "believer" to the apex of Soviet power, but not one convinced that Marxism-Leninism alone—even without Stalin's terror—was by itself adequate to establish the legitimacy of Communist party rule in the population's eyes. Widespread acceptance of that ideology's value system had not occurred; the regime had not been successful in its attempt to "enculturate" and "develop a new homo sovieticus" (Weigle and Butterfield 1992, 5). Failing to develop among its constituency a sense of legitimacy based on a shared value system, the post-Stalin Soviet leadership instead resorted to a social contract which guaranteed socio-economic performance, social order, and minimal state coercion in exchange for society's acceptance of Communist party rule (Weigle and Butterfield 1992, 10).

Even though it was under Khrushchev's leadership that Marxism-Leninism was rehabilitated, its importance as justification for Soviet rule was eroded by consummation of the social contract. By the time of Brezhnev reliance on the social contract as the foundation for Soviet legitimacy was predominant; dogma had been reduced to a symbolic function. The importance of the social contract to Gorbachev is underscored by his willingness to undertake economic and
political reforms in order to honor the state's obligation to society; reforms which finally came at the expense of the Communist party's political dominance—and Gorbachev was a believer.

Other Definitions and Terminology

Governance

Governance describes the rules and organizational structures for the distribution and exercise of authoritative power in a society. Contract theory stipulates that the form of governance, or type of government, may be determined from applicable societal covenants. The attributes of Soviet governance are thus defined by the contracts of the nomenklatura and society at-large.

Nomenklatura

As well as to a ruling group, nomenklatura refers to the formal mechanism by which the Communist Party apparatus recruited individuals for the political elite and controlled appointments in all areas and levels of Soviet public life. It was the principal instrument of Communist party control throughout the country (Rigby 1988, 523). The nomenklatura has also been described as the "mechanism for getting people into posts, and the group of persons who occupy such posts" (Hill and Lowenhardt 1991, 230). Rigby (1988, 1990) offers two definitions of nomenklatura—formal and informal: a formal system for the distribution and
exercise of power and privilege; and as an informal social category, with the conversion of nomenklatura positions and status into a social category.

The point about the nomenklatura is that it lists those whom the system itself regards as being important enough to require the special attention of the central committee's organization department. Consequently, unlike vague words about bureaucrats and elite, they represent something not only definable but defined, and defined not by the arbitrary whim of the foreign scholar but by the party machine itself (though this definition is not known to us in detail) (Nove 1975, 635).

The nomenklatura was estimated to number no fewer than four million in 1990 (Rigby 1990, 7). Beginning at the level of the Central Committee of the CPSU, with approximately three hundred members representing top central and regional Party officials, its nomenklatura lists—based on patron-client associations—numbered in the tens of thousands. Extending outward to the Central Committees of the republics and territorial and regional committees (kraikoms and obkoms) made, perhaps, a quarter of a million. Including districts and city party committees (raikoms and gorkoms) took the number to around two million. The industrial ministries, military and the KGB, would add another two million (Rigby 1990, 7).

To belong within the nomenklatura system meant access to the ladder of success in the Soviet Union. From the power and privileges associated with nomenklatura assignment came membership in the social class of the Soviet ruling group, known also as the nomenklatura. Unless stipulated otherwise, it is to this Soviet social class and ruling group that nomenklatura shall refer to below.
The Political Contract

The attempt by Soviet leaderships, beginning with Lenin, to exercise total control over society gave rise to the command-administrative system. The genesis of the nomenklatura system and social class were a result of this effort. As the instrument for control of the command-administrative structure, the nomenklatura became "a basic factor in the distribution and exercise of power and privilege in Soviet society" (Rigby 1990, 6). Essentially, the command-administrative system described the great breadth of the nomenklatura influence and control over Soviet society, a structure of power not subject to public oversight. Rigby has described the command-administrative structure as

the predominant mechanism for the acquisition and distribution of goods and services, indeed of the conditions of life itself. Bureaucratic office, which afforded access to this mechanism, therefore became the most valued social good of all, and the pattern of relationships within the office-holding class and between it and the rest of society became the chief determinant of social structure. Two ostensibly contradictory, but in practice symbiotically related factors, namely interpersonal bonds of reciprocal favor and support on the one hand, and increasingly regularized and centralized procedures (the nomenklatura system) on the other, emerged as the chief determinants of bureaucratic careers within the first decade, and have remained so ever since (1990, 253).

The Soviet political contract defined the rights and obligations of the nomenklatura, sole proprietors of the command-administrative structure, whose members enjoyed special socio-economic privileges and power in exchange for their loyalty and political support of the ruling oligarchy. The political contract represented the Soviet party and state bureaucracy, military and heavy industrial
interests—the Soviet Establishment—individuals who benefitted from their Communist Party status or association with the political elite. Known also as the Soviet ruling group, their relation to political power translated into a special class status with entitlements to social and economic rights and privileges beyond those granted in the at-large social contract. According to Nove, for one to have acquired significant political, social, and economic power and not be of the nomenklatura would have been "something irregular, contrary to the system's own nature, so to speak" (1983, 298). Among the nomenklatura's preferential socio-economic entitlements were its access to better housing, special commissaries with greater goods availability, superior medical facilities, and better educational opportunities for their children. To these were added a commitment by the Soviet leadership to lifetime tenure—"job security" for the nomenklatura.

Lifetime tenure was the most important guarantee of the political contract. Given by the leadership in exchange for its loyalty and administration of state and economic affairs, job security promised protection of the nomenklatura's socio-economic privileges and power. The significance of lifetime tenure was made manifest by the nomenklatura's ruling class status, its preferential distribution of economic wealth and social entitlements given double insurance by its domination of the party-state apparatus and as the instrument for control of the Soviet command economy.

In Soviet society it is access to administrative resources, by virtue of office in one or other of the command hierarchies through which the whole business of society is conducted, that forms the main basis of power and
privilege. Whether the hierarchy in question is that of the party apparatus, a government ministry, the army, the KGB, a provincial soviet or whatever, such office can therefore be regarded as bestowing membership of the 'ruling class' (Rigby 1990, 7-8).

The mechanism of nomenklatura and patron-client relationships, a salient feature of Soviet political life, provided another source of nomenklatura power. The influence of patronage in the recruitment of personnel in all areas of Party and public life, the authority to "recommend" and "approve" appointments which affected career mobility and social status, were of profound importance to the nomenklatura. There was nothing more effective than the influence of the patronage system to ensure loyalty and obedience, enforce a norm of behavior, and instill a sense of identity in the ranks of the nomenklatura. Wealth, status, and job security ultimately depended on one's patron-client relationship and willingness to submit to the requirements of the nomenklatura system: accepting the political leadership of the Party and the administrative authority of the Party apparatus in its function of recruiting and appointment. Compliance reaped its reward.

The nomenklatura also derived power from the nature of the authoritarian environment in which it functioned. Conducting its operations beyond the view of the public eye, the nomenklatura was neither accountable nor subject to the oversight of popular institutions. The process of decision-making by the nomenklatura, its control and distribution of national wealth, were not subject to public scrutiny or supervision. The nomenklatura owed explanation for its actions
only to its patrons and the Soviet leadership.

Glasnost and Gorbachev's perestroika reforms changed the preferential arrangement the nomenklatura enjoyed in its political contract with the Soviet leadership. Glasnost exposed the activities and privilege of the nomenklatura to public review and criticism. The introduction of open and competitive political processes removed state offices from the exclusive control of the nomenklatura's appointment lists, reducing its political power and the importance of patronage. Democratization even brought limited competition to the nomenklatura's own internal recruitment and selection process, further diminishing the power and influence of patronage. The leadership's new economic policies threatened to curtail its privileges and appropriate its wealth. In his study of the patron-client relationship and Soviet politics, Willerton observed:

Gorbachevian reforms are transforming the Soviet system and altering the norms by which politicians advance and behave. The institutional and political reforms of the Gorbachev period are changing strategies of elite recruitment, coalition building, and regime formation. The hierarchical and centralized power structure of the Soviet system is giving way to a more decentralized, open, and democratic political process. An expanding range of actors and interests now influences the political process, and senior officials are less able to direct the country's political life (1992, 3).

Its control of the command-administrative structure was the nomenklatura's greatest asset; its power and privileges came as a result of its access to that system. The nomenklatura "possessed" the economic and political wealth of the Soviet state, resources also required for its modernization. The ability of the nomenklatura to obstruct or facilitate reform owed to its proprietorship of the
command-administrative apparatus; it could implement policy or not, expedite the paperwork or "deep-six" it, distribute goods and services or withhold them, grant favors or deny them—at its preference. Absent public mechanisms for oversight of its activities and to ensure compliance with official policy, the nomenklatura could effectively blunt Soviet reform by simply ignoring or standing aside from the leadership’s attempts to implement new policy. This was the nomenklatura’s most common strategy of resistance.

Gorbachev’s perestroika and democratization policies made very apparent the zero-sum relationship between the political and social contracts. Economic modernization, political reform, and reformulation of the social contract could only be purchased at the nomenklatura’s expense, with a redistribution of the wealth and power it possessed. Gorbachev’s attempt to reform the command-administrative system, to subject the disbursement of its wealth and power to popular controls, was synonymous with an attack on the power and privilege of the nomenklatura and the terms of its political contract. For its self-preservation the nomenklatura had no choice but to resist and obstruct.

**Legitimacy and Governance**

It is through the process of legitimation that belief in the authority of a government to rule is established. Beyond providing the basic functions of internal order and national security, legitimacy is determined by the ability of a state to solve its national problems, and to provide those services society expects
of government. The preservation of legitimacy requires that the regime continue to satisfy its existing contract with society and, so that the agreement may remain valid, to anticipate and recognize those changing social circumstances and expectations which require revision of the pact's terms and conditions. A regime must either be recognized to possess legitimacy through its performance or be prepared to exercise coercive power if it is to be obeyed by its subjects and remain in power.

Review of Related Literature

What Hauslohner describes as a "formula for rule" came into being under Khrushchev and was honored by successive Soviet leaderships through Gorbachev (1987, 82). He terms this formula a social contract, an implicit agreement between society and the regime which described each one's expectations of the other under Soviet rule. Hauslohner depicts the Soviet social contract "as a set of norms, constituency benefits, and political-economic institutions which elite and public have regarded as legitimate means of regulating their mutual relations" (1987, 54). That such an agreement existed between the leadership of the Soviet state and the masses is widely accepted and documented by others in addition to Hauslohner (Adam 1991; Cook 1992; Ludlam 1991). However, his 1987 article seems to have been the seminal work and is the one most often cited by scholars of the Soviet social contract. In it, importantly, Hauslohner argues not only that a social contract can exist under authoritarian rule, but that it can be also of a
"voluntary" nature (1987, 56-60).

White (1986) is reluctant to call it a social contract, but he does discuss the existence of what he terms a Soviet "politico-economic contract," or "distinctive legitimation formula," and finally calls a social compact. He describes it as existing in societies without representative institutions to establish the popular will or legitimacy of government, those of the Soviet type who justify their rule instead on socio-economic performance. Civil rights and liberties are given short shrift; it is delivery to society's schedule of expectations for social and economic benefits that are considered the measures of contract fulfillment by the state, and the basis for its claim to legitimacy (White 1986, 468).

While recognizing the successful track record of regimes such as the Soviet Union in meeting the terms of their "social compact," White warns that the economic decline which began in the 1970s could critically threaten the social and economic basis for their legitimacy.

What has mattered more in the 1970s and 1980s, however, is that communist governments have found it increasingly difficult to deliver their side of the politico-economic contract; in particular, they have suffered from generally declining rates of economic growth, making it more and more difficult for them to provide the socioeconomic benefits on which the social compact was premised (White 1986, 464).

Adam (1991) observes that "the Stalinist system did not end with Stalin's death." The social contract, which "took on a more or less final form in the 1950s," had evolved with Stalinism and the command-administrative economy. Beginning with Khrushchev, Soviet leaders had eliminated the worst terror and
repression of Stalinism and retained those polices which had popular support. In this way, a social contract was arranged between the Soviet leadership and the population at-large, "mainly ordinary people" (Adam 1991, 1).

In brief, it can be said that the social contract has promised to ensure full employment, social justice, solidarity with the weak and disadvantaged, and equal opportunity for all...

The introduction of the welfare state was the result of the old socialist credo that it was the task of a socialist government to be deeply involved in curing various social problems. Of course, it followed other aims too, one of them being to achieve social peace. Maybe a more important aim was to attain legitimacy for the regime (Adam 1991, 2-3).

Adam reviews in detail the development of the Soviet social contract from the time of Stalin. All aspects of the social contract, which is referred to as a "social welfare package" are described, including the right to a job, social security and health care, low and stable prices for basic necessities--food, shelter, and basic services--and education (Adam 1991, 3-20). The article concludes with a discussion of the problem that fulfillment of the social contract poses for reform of the Soviet economic system. "The social contract is now under attack on all sides" (Adam 1991, 21). Among the criticisms are the undermining of individual incentives by the system of social welfare and guarantees; that certain guarantees of the social contract, like the right to a job, are at the expense of economic efficiency and an obstacle to reform; and the costs of the social contract are too heavy a burden on the state.

Ludlam (1991) discusses the social contract as it came into being after Stalin's death. She emphasizes the need for revitalization of the contract
Gorbachev inherited from Brezhnev, one considered to be underdeveloped and an obstruction to economic and social development in the post-industrial age. The post-Stalin arrangement had been directed at industrial development and blue collar workers; it passed over intellectuals, more highly skilled and educated workers, and the service sector. Those workers passed over, a minority then, were now the ones necessary for passage to post-industrial economic development (Ludlam 1991, 285-289).

Ludlam develops three themes. First, Gorbachev was aware of the inadequacy of the social contract to support a comprehensive reform agenda. Second, pressure to renegotiate the social contract already existed within society, independent of state control, and the loosening of state controls—including glasnost—would put more social actors in a position to bargain the terms of the new contract. Third, Gorbachev could expect resistance to reform from those individuals who had done well under the post-Stalin social contract—blue collar workers and the Communist Party apparatchiki (1991, 286).

The problem revolves, essentially, around economic modernization and the legitimation of the regime. According to Hauslohner, the two are 'mutually constraining'; that is, improvement in the economic system is constrained by the state's legitimation strategy of security and equality; legitimation, in turn, is constrained by the performance of the economic system. . . .

Most important, however, is that Gorbachev's ideas on economic reform are blocked by the social contract. To reform the economy, he must reform the social contract (Ludlam 1991, 300-302).

Ludlam questions the continuing relevance of the Communist Party as an apparatus operating at all levels of society. "In its present form, the party
bureaucracy serves no genuine purpose in society; its power is illegitimate and its authority seriously damaged" (1991, 296-297). The article concludes by noting that Gorbachev's "policy changes were within the social contract" and not directed at the institutionalization of a new governmental arrangement. The new executive and legislative functions, and the repeal of Article 6, were considered first steps, but the "Communist Party [still] maintains a real monopoly on policy, even though the Constitution no longer guarantees that monopoly" (Ludlam 1991, 311).

Cook (1992) presents the social contract of the Brezhnev regime as a constraint on Gorbachev's reforms. This study argues that Gorbachev failed in his effort to negotiate a new social contract. Gorbachev's "pattern of retreats from reformist social policy in 1988-89" is analyzed by case study presentation. The first study examines employment security; the second wage reform and quality control as shop floor pressures; and the third considers price reform. Cook concludes that the Gorbachev administration consistently retreated from policies which threatened to abrogate the 'social contract' of the Brezhnev era. It made strong commitments to reformist labor and social policies in 1986-87, then repeatedly reversed, delayed or decided to avert the harsh consequences of those policies when confronted with their real costs or opponents. The reforms did result in some erosion of labor's 'social contract' guarantees, but in each area, during 1988-89, new decisions or concessions limited the painful effects for most workers: plants were permitted to re-absorb released workers; insolvent enterprises were bailed out; wage discipline was relaxed; quality control weakened; and retail price reform indefinitely delayed.

In sum, the reform leadership appeared unwilling to enforce measures which would cut deeply into the old guarantees, or adversely affect the welfare of broad strata of workers. It acted as if constrained to deliver the old package of 'social contract' policy goods, even in the face of its own preference for (and commitment to) different policy and
allocational outcomes. The pattern of retreat fits the hypothesis that the 'social contract' conceived as a set of societal expectations and state obligations, constrained the Gorbachev leadership from pursuing its chosen reform strategy (1992, 52).

Hauslohner explains Soviet difficulties with economic reform in the context of the breakdown of the regime-society relationship defined by the post-Stalin contract. He contends that Gorbachev received an "eroding" social contract that had outlived its useful purpose and required replacement. He warns any would-be reformers to be on the alert for possible challengers from within the party. Hauslohner's primary emphasis is on the economic nature of the contract; in the context of attempting to modernize a Soviet economy in decline and of the mutually constraining relationship he finds between the Party's role in the institutionalization of the economic system and its strategy for state legitimation, not with democratization or its impact on the nomenklatura—something he could not have seen as he wrote in 1987 (Hauslohner 1987, 55).

Hauslohner points to Gorbachev's report to the Plenum of the CPSU Central Committee in January 1987 as his recognition of the need to replace the existing social contract (Pravda, January 28, 1987, 1-5, from Hauslohner 1987, 60). Moreover, he believes

Gorbachev appears to understand the important role which the old social contract played in containing social conflicts and in maintaining public consensus and order. He also seems to understand that the old social contract has become unraveled and that it must be replaced, not merely refurbished. (Hauslohner 1987, 82)

Hauslohner presents the following "costs" as further evidence of the
contract’s unraveling, data of which Gorbachev had to be aware. State costs to maintain guarantees of food, housing, jobs, and services were rising. There were indirect costs associated with lost opportunity and under-utilized capital. The benefits of the social contract to the Soviet regime were decreasing (Hauslohner 1987, 82). As to the status of the social contract, Hauslohner notes:

[the] data convey a deepening demoralization and spreading anomie in the society at large. At the same time, direct and undisguised social protest also has increased. . . .

Most telling, however, are the signs of deepening conflict among the political and intellectual elite. Since approximately the mid-1970s, every element of the social contract has been subjected to increasingly pointed criticism (1987, 61)

As remedy to what he perceived as the Soviet Union’s economic and social problems, Gorbachev—by action and intent—initiated a renegotiation of the terms and conditions of governance which had made legitimate and justified party-state rule over Soviet society since Stalin. "According to the terms of the contract," received from Brezhnev:

the regime provided full and secure employment, egalitarian wage policies and lax performance pressures in industry, state-controlled and heavily subsidized retail prices for essential goods, and socialized human services (i.e. education, medical care, child care, etc.). In return for such comprehensive provision of social and economic security, Soviet workers gave the regime their political compliance and quiescence (Cook 1992, 37).

Gorbachev's attempt to reformulate the social contract was given substance in a different policy agenda and redefinition of the Soviet Union's operative socio-political-economic environment. His new policies were combined with a lessening of repression and coercion by the authoritarian state, and the transference of
power from party-state structures to institutions of civil government. Though he intended to foster only systemic change and reform, Gorbachev instead unleashed the very political forces—party-state, nationalistic, independence and other reactionary movements—which caused the Soviet Union's collapse.

Nowhere in the literature is there discussion of a conflict between the interests of the social contract and those of the ruling group represented by the nomenklatura. However, the probability of conflict between Gorbachev and the nomenklatura over the perestroika reforms is mentioned on more than one occasion (Hauslohner 1987; Hill and Lowenhardt 1991; Ludlam 1991; Rigby 1990). Rigby, in particular, warns that Gorbachev cannot proceed too far in his reform program before meeting resistance from the nomenklatura.

Hill and Lowenhardt (1991) review Gorbachev's attack on the nomenklatura system and its members with his perestroika and democratization policies. They point out that, as a system, the nomenklatura may have been undermined by perestroika but as a ruling class it retained political power and influence into 1991. Like many others, they cite Rigby and Nove as evidence for their assertion of the special nature of the nomenklatura as a system for "the distribution and exercise of power and privilege in Soviet society (Rigby 1990, 6-7). Now, if one will allow that Gorbachev acted to represent the interests of the social contract, and given the top-down character of Soviet policy-making and the nature of his reform agenda, then the conflict between the interests of the nomenklatura and the social contract is clear.
The Origins and Conflict of the Soviet Social and Political Contracts

The structural basis for the Soviet social contract had its origin with Stalin. It was under his dictatorship that the state began to provide the citizenry with cradle-to-grave social benefits and safety nets, in addition to the traditional nation-state functions of internal order and national defense. Soviet society accepted the conditions of arrangement, sacrificed any claim to civil rights or liberties, and submitted itself to the totalitarian state. The suppression of civil society by coercion and terror were the vehicles by which Stalin's state guaranteed citizen compliance with its totalitarian rule.

Because it was imposed from above by the authoritarian state and not initiated by society, Stalin's compact lacked the necessary contract of association, popular participation, and willing consent required by the liberal construct of the social contract as its basis for regime legitimacy. Still, legitimacy—society's belief in the authority of government to rule—existed in the Soviet Union. Legitimacy in the sense of the Soviet social contract was based on society's acceptance of the state's performance—in satisfying the socio-economic obligations of its arrangement with society, by providing internal order and national security, with victory in the Second World War, and through a general improvement in living conditions during the postwar years.

Modification of Stalin's formula for rule began under Khrushchev, with the replacement of terror and coercion by social consent, regime legitimacy, and
selectively applied repression--as exchange for the belief of the people in the authority of the party-state to rule. It is to the post-Stalin social contract, with its consensual nature and performance-based legitimacy, that this work is addressed.

Of the condition of Soviet legitimacy in the mid-1970s, one writer observed:

> Concern over legitimacy should, on its face, no longer be a problem for the Soviet regime. Having survived intact for over half a century, the authority of Leninist-type Party rule is by now a well-established tradition. Its presence, once threatened and uncertain, has become 'normal,' a fact of life, a historical given, for most Soviet citizens. Furthermore, the economic achievements of the past two decades led to a considerable improvement in the regime's popularity, especially during the late 1950s and early 1960s (Schwartz 1975, 138).

The Soviet command-administrative structure came into existence under Stalin. This was the institutional mechanism for nomenklatura control of the Soviet state economy. From its inception, this party-state bureaucracy favored military and industrial interests. Stalin's preoccupation with the growth of military capability and heavy industry gave that economic sector a decided advantage over the consumer in the determination of Soviet priorities and the allocation of national resources. As a result, a Soviet military-industrial complex grew--ever larger, more powerful, and resource-consuming--at the expense of consumer sector development. This dominance continued after the Second World War and into the nuclear era under successive Soviet leaderships.

As the administrator of political and economic policy--the instrument for Moscow's control throughout Soviet society--and as representative of military and heavy industry, the nomenklatura was a natural adversary to the Soviet consumer.
A competitor for national resources, the nomenklatura was predisposed to resist any change in the formula for allocation which would favor a shift from military-industrial to consumer interests or otherwise increase state obligations under the social contract. The command-administrative system could never be an agent, even one unwilling, to the expansion of benefits in the social contract. This was the case, beginning with Stalin until the Soviet end: the social contract between the party leadership and the masses was in mortal conflict with the political contract of the party leadership and the Soviet Establishment, the nomenklatura.

This was a fatal flaw of Soviet rule, the maintenance of separate contracts which together described governance but with different legitimacy assumptions. The conflict between the interests of Soviet society and the nomenklatura was inherent; the destructive confrontation of their social and political contracts inevitable. This finally took place during the Gorbachev tenure, with the head-on collision brought on by a declining economy and the activities of glasnost, perestroika, and democratization. Though Gorbachev attempted to renegotiate both contracts, to establish support for his policy agenda and a new basis for the legitimacy for Soviet rule, all efforts came to failure; a new paradigm for governance could not be formulated in the Soviet Union of the late-1980s. Moscow was not only unable to renegotiate and subsidize the contracts but also to suppress the conflict between them. Finally, legitimacy, too, was lost and Soviet rule could no longer be sustained.

Only a situation of improving social conditions, resource abundance, and
a viable economy—even if artificially sustained by the state—had delayed the
destructive collision of the political and social contracts. Otherwise, the Kremlin
could not have simultaneously upheld both. The contracts competed for the same
national resources—one for the interests of the consumer sector and
modernization, the other for the military-industrial complex and the status quo.
The two represented an unresolvable conflict between the status quo orientation
of the privileged and that of society’s rising expectations.

Continued adherence to Party orthodoxy also helps explain the
relative technological backwardness of the Soviet economy and its slowness to change. Wedded to a set of beliefs purported to explain all of human
history, the Kremlin rulers tend to regard all of their economic institutions and procedures—such as central planning, collective agriculture, direct political management—as necessarily sanctified by the 'scientific laws' of Marxism-Leninism. These practices, many of which were actually adopted for reasons of expediency, thus tend to become hallowed principles of a socialist economy. They are also sustained by vested bureaucratic interests. Little wonder that they are so resistant to change.

The tendency to ideologize places severe limitations on innovations in all spheres of public life. The Soviet leaders have been extremely slow to implement fundamental economic reforms, especially any that seem tinged with 'capitalism,' such as the use of 'profit' rather than plan fulfillment as an economic indicator, or modification of the command economic system in the direction of a decentralized, market economy (Schwartz 1975, 143).

It had always been just a matter of time before this problem of
irreconcilable contracts would surface. Time ran out with the situation of scarcity imposed by Soviet economic stagnation and upon Gorbachev’s response to that crisis—by his twofold recognition of the state’s inability to fulfill its obligations under the terms of the social contract and his linkage of that situation to the question of legitimacy for Communist party rule. Soviet leadership found itself
in a dilemma: the need it perceived to renegotiate the social contract with the people and preserve state legitimacy required advocacy of nothing less than broadened participatory processes and institutions. This could only be accomplished at the expense of the political and social power held by the nomenklatura; economic privileges would follow. However, to satisfy the nomenklatura meant the preservation of their ruling class privileges and the authoritarian character of the Soviet state; and it was upon this group, who controlled Soviet economic and social institutions, that Gorbachev's reform policies depended for support and execution. Therefore, support of both contracts could not be simultaneously accomplished by the Kremlin. As one scholar observed in 1975:

The USSR is a land of paradox. The ideology of revolution has become a major source of conservatism. Rather than spurring rapid social change, Marxism-Leninism serves to reinforce to Soviet status quo. Underlying this paradox is another even more profound. Though the Soviet regime is rigidly centralized, highly disciplined, and control-oriented, the Party dictatorship which dominates this autocratic political structure is psychologically insecure.

Whatever the actual state of 'party/people relations,' the evidence suggests that the party elite remains strikingly uncertain about its basic authority position. Though its mood shifts, depending somewhat on changing circumstances and personnel, the Politburo continues to worry about political instability—about preserving the ideological and social cohesion of the Soviet people (Schwartz 1975, 144).

For their preservation, authoritarian states must resist political change and development which might alter the structure of power. The Soviet system was not different in this respect; it had that constraint. Still, Gorbachev launched plans for a "qualitatively new state of society" that required political development--
breaking the party-state’s monopoly on political power through institutional modernization and broader societal participation—changes unimaginable under the parameters established for Soviet governance. Soviet-type rule could not be sustained without continued civil repression, the denial of civil liberties and rights, and the suppression of political expression. Nonetheless, to satisfy the requirement of political reform for his economic perestroika, Gorbachev broadened the avenues of political opportunity within the authoritarian structure and brought to the Soviet Union the last thing he intended—a revolution. His democratization policies so altered the basis for Soviet governance, through changes to the representative process and distribution of social and political power, that the paradigm for rule was literally transformed; for the Soviet Union this was fatal.

Gorbachev’s resignation as President on December 21, 1991 was the first and last official act of Soviet "dis-Union." However, it is absolutely clear the destruction of the Soviet Union was never his objective. Gorbachev’s actions to save the union leading up to, and even after, December 1991 bear this argument out. But, even if not by intention, the consequence of his leadership and policies in support of the perestroika and democratization strategies was the disintegration of the Soviet Union. Though Gorbachev may have only intended—and expected—systemic change and reform, his policies and actions had other, revolutionary, effects. In particular, Gorbachev presided over the demise of both the social and political contracts which together had defined the terms and conditions of Soviet
governance. Whether it was by design or not does not matter; by changing the paradigm for Soviet governance and legitimation—the political, economic, and social assumptions of party-state rule—Gorbachev brought the Soviet experiment to an end.

**Purpose and Organization of the Study**

This discourse shall investigate the nature and relationship of the Soviet social and political contracts in the post-Stalin era, concentrating on their conflict during the Gorbachev years. Analysis will focus on the interaction and clash of the social and political contracts which took place beginning with Gorbachev's glasnost and, subsequently, with the implementation of his strategies for perestroika and democratization, ending with the dissolution of the Soviet Union in December 1991. The two contracts will be profiled from the same starting point, over time, to a common end. This will facilitate a comparative study, over a specified period, to measure the impact of the same historical events on both contracts. In addition, this will permit a parallel examination of both contracts in relation to changing Soviet leadership, policy, and legitimacy requirements.

In order to "set the stage" for Gorbachev, both contracts will be profiled as they existed under Khrushchev, again during the Brezhnev period, and as Gorbachev received them in 1985. The contracts will be profiled next in late 1987, after two years of glasnost and initial reforms; then in late 1989, with the introduction of further perestroika reforms and democratization policies; and,
finally in December 1991 with the breakup of the USSR. Recorded at each stage will be significant intervening historical events, subsequent contract changes and revisions, regime legitimacy requirements, and mechanisms for contract recognition and acceptance by the parties involved.

Gorbachev's perception of the Soviet Union's socio-economic crisis, his subsequent actions to correct the economy and reform the political system, will be linked with attempts to renegotiate the conditions of the Kremlin's social contract with the Soviet people. The social and political contracts, and the relationship and conflict between them, will be examined to determine the consequences--both intended and otherwise--of Gorbachev's leadership and policies. Finally, the conflict between the social and political contracts will be linked to the Soviet Union's breakup.
CHAPTER II

A NEW LEADERSHIP: 1985-1987

Gorbachev's Charter: Get the Economy Moving!

Mikhail Gorbachev knew in the early 1980s that the USSR had significant social and economic problems; Yuri Andropov made him aware. In fact, he had been instructed by Andropov to develop a program for reform of the economy’s management (Smith 1991, 72-75). Even with the experience of that assignment Gorbachev was still unprepared or unwilling to accept that the constitution of the Soviet political, economic, and social order was fundamentally flawed and resistant to change. Perhaps it was because the Andropov philosophy encouraged an answer to be found through better management and greater socialist discipline, and Gorbachev did watch his mentor-benefactor wage a brief discipline campaign as remedy for the nation’s social and economic difficulties. When his own opportunity as Soviet boss came in 1985, Gorbachev followed in his mentor’s footsteps and mounted his own anti-corruption and discipline campaigns.

The new party leader started in May 1985 with a campaign against the excessive use of alcohol that undermined the population’s health and labor productivity. Gorbachev, a man of order and discipline, flirted with the labor campaigns of the Stalin era and called for a continuation of the great traditions of the Stakhanov movement (Lowenhardt, Ozinga, and van Ree 1992, 74).
While Gorbachev would discover for himself the futility of discipline campaigns and that reform ordered from above by Kremlin decree was destined to fail, he would never accept that the Soviet order could not be reformed. Gorbachev was both the leader and loyal soldier of the Marxist-Leninist political, social and economic system he inherited—he belonged to it, not it to him. He had been given birth and thrived within that petri dish called Soviet socialism; he believed in that system which nurtured and gave him life’s meaning. He owed his political career and rested his future on its survival. Therefore, he could seek only change and reform of Soviet society and its brand of socialism that could occur from within that system. Never did he advocate its eradication and replacement, only the correction of its errors and historic “deformations”—the legacies of Stalinism.

Belief in the system served as the foundation of Gorbachev’s career, and eventually of his reformist program. He was a true believer, and remained one even after he became leader, a trait bound to become a political drawback; others who had reached the peak of Kremlin authority were cynical and pragmatic men who easily resorted to political expediency without needing to justify their actions to themselves. Gorbachev, however, was imbued with the righteousness of the socialist cause; if things went wrong, the reason was ignorance and human frailty, but not the system itself. Dater Odder, the foreign minister of Iceland who met with Gorbachev in 1987, quoted him as saying that the hardest decision he ever had to make was ‘to expose the faults of previous Soviet leaders.’ He had to do so, Gorbachev said, because the failings of the past were the fruit of the leaders, not of the system (Doder and Branson 1990, 25).

When Gorbachev became General Secretary in March 1985 he had one specific mandate—to get the economy moving—but he was without a blueprint for change, with limited experience in national policy-making, and needing to first
assemble a leadership team to formulate and execute policy. There was agreement within the Soviet leadership that serious national problems existed; but whatever consensus there was supporting correction of the deteriorating social, economic, and political situation, it was not of one voice, did not sound strongly of reform, and favored no program harboring the potential for revolutionary change. It would take some months for a new Gorbachev leadership to seize the initiative; until then there would be speech-making and sloganeering--some new thinking, but little more--with Gorbachev and the Politburo immersed in the tasks of coalition-building, issue identification, and policy formulation. There is no question Gorbachev was prepared to seek an agenda for change; he was an achiever. But he would intend his programs be limited to within-system reform. That was his nature, and would remain so throughout his leadership.

It was none the less clear, whatever the circumstances involved, that a steadily falling rate of economic growth could not be sustained much further without serious damage to the international standing of the USSR and to the 'social contract' between the regime and the population, by which, at least notionally, a relative lack of civil liberties was traded for a tolerable and assured standard of living. Even the political stability of the USSR could not be taken for granted, Gorbachev (and two other speakers) warned the 27th Party Congress in 1986, if popular expectations of this kind continued to be disappointed (White 1991, 103).

The Soviet Social and Political Contracts: 1985

To remain valid, social contracts must accommodate change or the societal arrangement and condition of governance they describe is no longer valid. Social, political, and economic institutions--as well as expectations and obligations--must
either adapt to their society's changing requirements or be replaced. The post-
Stalin social contract was no longer valid in 1985; it had not been for years.
Nonetheless, the Soviet economy and political system, administered by the
nomenklatura through the party-state apparatus, continued to operate under the
terms of that agreement as it had since the time of Khrushchev. Sustenance of
the nomenklatura's political contract depended on the preservation of the social
contract because, together with it, the two described the institutionalization of
Soviet governance by the party-state bureaucracy and the protection of the
nomenklatura's privileged status. Whether the social contract represented Soviet
society's true arrangement or the capacity of the state to meet its obligation of
economic performance were not of consequence. For the nomenklatura not to
honor the social contract, or support its reformulation, would be to peril the
conditions of its own political contract.

Cook describes the Brezhnev social contract inherited by Gorbachev as a
promise to the Soviet working class of

full and secure employment, egalitarian wage policies and lax performance
pressures in industry, state-controlled and heavily subsidized retail prices
for essential goods, and socialized human services (i.e. education, medical
care, child care, etc.). In return for such comprehensive provision of social
and economic security, Soviet workers gave the regime their political
compliance and quiescence. Essentially, Brezhnev's 'social contract' was
an exchange in which each side tacitly committed itself to deliver political
goods valued by the other (1992, 37).

The legitimacy of Soviet rule in 1985 was based on satisfying the conditions
of the political and social contracts—maintenance of internal order, national
security, and performance—as judged to conform with the economic and social expectations set in the contracts. Cook points out the obligation of the social contract as being a significant constraint on the Soviet leadership—the state had to deliver or put its legitimacy at risk (1992, 37). Gorbachev recognized this liability and the regime’s growing inability to meet the social contract’s terms as a direct threat to the party-state’s claim to legitimacy and its justification to rule. Unfortunately for Gorbachev, economic reform and reformulation of the social contract depended upon execution by the nomenklatura, whose political contract was also a constraint on the leadership. A relationship with economic reform existed for political contract in the same fashion as it did for the social contract. Economic reform and contract renegotiation are simultaneous and linked processes. Gorbachev could not undertake economic reform and renegotiation of either contract without automatically submitting the other to the same process. Moreover, Gorbachev’s new grants in the social contract were given at the expense of the political—the nomenklatura’s privileges and political power.

The Soviet Union had changed dramatically since the post-Stalin social contract was arranged; its reformulation was necessary and overdue long before Gorbachev. Over that thirty year period significant social change had occurred as the result of industrialization, urbanization, the introduction of new technologies, a more highly educated and skilled population. But Soviet political and economic institutions had not kept pace and remained virtually unchanged, still reflecting the arrangement described and endorsed by the post-Stalin social
and political contracts. Economic stagnation, which threatened the ability of the state to fulfill its terms under the social contract, underscored the inapplicability of both contract arrangements to the Soviet Union of the mid-1980s. The nomenklatura’s agreement, in particular, was naturally resistant to innovation and virtually any change to political and economic structures. This is made clear by the nomenklatura’s arrangement within the political contract, which assumed maintenance of the status quo for the preservation of its privileged status. In fact, it was not possible to reform the system and also honor the contracts; the system was the contracts and the contracts were in conflict. Reform of the Soviet system and revolution were synonymous, as subsequent events would show. Clearly, development of a bread and butter economy representative of consumer interests was impossible if the terms of the political contract were to be honored; let alone growth, efficiency, the introduction of new technologies, and marketization. But it did not matter. Just as Gorbachev was encouraging and forcing the contract’s renegotiation, society and change were forcing it in return. Gorbachev and the party-state soon lost control over newly emerging social and political forces; the process was quickly approaching critical mass.

New Thinking and Movement Toward Reform

Rather than a change of course from that of previous regimes, the policy of Gorbachev began as more a change in emphasis to focus foremost on Soviet domestic affairs. Its national sovereignty assured, at nuclear parity with the
United States and recognized as a great power in the world community, the USSR turned to concentrate its attentions and resources on its stagnant economy and long overdue internal development. The intense domestic character of Gorbachev's perestroika strategy and his "new political thinking" would lessen the commitment and magnitude given to the pursuit of traditional Soviet ambitions for power, presence, and prestige in external affairs. The cost to control and influence the affairs of other nations had become an unaffordable diversion of the energies and resources required by Soviet economic reform. While the Soviet Union would continue to have a major influence on world affairs, it would be with less intensity and in the interest of cooperation.

The economy that Gorbachev inherited was in desperate straits: Growth rates were tumbling, consumer shortages were endemic, the farms were not feeding the Soviet people, smokestack industry was old-fashioned, rigid, inefficient. The Information Age was passing the Russians by. World competition was a goad, and a challenge. Not only Gorbachev, but his scientists, economists, Politburo colleagues, even his generals, understood that, as a superpower, the Soviet Union was slipping because its economy could not keep pace with the world.

. . . yet the messianic Gorbachev set off on his bold effort to modernize the Soviet economy and to catch up with the West without a blueprint, without a model, without even an overall economic strategy. On glasnost, Gorbachev's strategy was clear; on economics, he improvised . . . He proceeded by trial and error (Smith 1991, 177).

According to White, even as late as 1984, Gorbachev had given few clues about any new thinking he had for the conduct of Soviet foreign or domestic policy (1991, 185). In a address to an all-Union ideology conference in December he did speak of "the necessity of a fundamental change through accelerated economic development" and to a policy of glasnost as a catalyst. He addressed
foreign policy in more orthodox fashion, speaking of the conflict between "opposing systems," accusing the capitalist west of imperialistic ambitions, and warning about the influence of the military-industrial complex and multinational corporations upon the conduct of US policy (White 1991, 185-186). Not new thinking, this was a recommendation for the continuation of current Soviet foreign policy and intensification of the Andropov campaign for socialist discipline. Glasnost was considered the way to re-energize the workplace and reverse the pall of stagnation (White 1991, 70-71). However, to members of the British Parliament that same month, he did advocate a "new way of political thinking," observing that all men now lived in a "vulnerable, rather fragile but interconnected world." He also noted the linkage he recognized between foreign and domestic affairs:

A country's foreign policy, he noted, could not be separated from its 'internal life, its economic and social goals and needs;' the Soviet Union, for its part, needed peace so as to be able to achieve its 'truly breathtaking creative plans' (Gorbachev, Izbrannye rechi i stat'i, vol.2, 109-116, in White 1991, 186).

In a February 1985 electoral address Gorbachev referred again to glasnost, as well as social justice, and participation—giving some indication of his possible agenda (White, Pravda, and Gitelman 1992, 7). At his first Central Committee meeting as Soviet leader in March, Gorbachev spoke of a "qualitatively new state of society," including modernization of the economy and the extension of socialist democracy. He emphasized the "human factor," decentralization of economic management, cost accounting at the local enterprise level, a closer connection
between what people did and what they received. In his October 1985 address to the Central Committee, Gorbachev spoke of the continuity of his agenda with his predecessors, but added the need for "creative development" in consideration of changed foreign and domestic conditions. He said his goal was to realize a 'qualitatively new state of Soviet society through acceleration of the country's socioeconomic development.' The economy, as before, would have a 'decisive role,' but so too would the widening of socialist democracy, including the active participation of ordinary people in state and public affairs (White 1991, 216-217).

It would take the better part of two years before the Gorbachev rhetoric became the agenda of glasnost, perestroika, and democratization associated with his leadership. His charter in 1985 was specific: fix the economy, get it moving, but do not change it in any fundamental way. Economic reform would not be easy under any circumstances, the command economy was an institution made sacred by the nomenklatura's political contract and it would oppose and resist any change. Political reform was simply unthinkable; the current distribution of power and Communist party rule were considered permanent. Until he could muster the political support, Gorbachev would have to do with speech-making and stimulus packages; he could not force the party-state to reform its own economy. Limited charter aside--Gorbachev was without a specific plan. The first months were absorbed with the formation of a Gorbachev leadership team which would define the issues and direct "what was still a very limited mandate for change" (White et al. 1992, 8).

On the economy the 1985 Gorbachev was as far from any ideas of
restoring private property in agriculture, privatizing industry, a market economy, etc., as would have been any of his predecessors. The key to 'acceleration' was to implement better administrative procedures, to select better administrators, and to improve the productivity of the Soviet worker by vigorous measures such as attacking alcoholism. The Chinese example was not one to emulate. The People's Republic's economy had gotten into a complete mess with the Great Leap Forward and the Cultural Revolution, and its leaders therefore resorted to drastic measures. The Soviet economic system had stood the test of time. It just needed adjustments (Ulam 1992a, 402).

Gorbachev's main theme in the early days was the intensification and acceleration of economic growth through economic policy, not political reform. What political change did occur was with personnel within the Politburo and Central Committee, but not in sufficient number or deep enough within the party-state structure to make Gorbachev's economic policies successful; resistance was too great. Gorbachev encouraged "democratization" within the party, to speed the turnover of old-line Brezhnev cadres and replace them with pro-reform forces. But not until 1987 would Gorbachev begin to extend democratization beyond the party-state structure to assault the anti-perestroika forces from outside, and then with experimental elections in 5 percent of the local soviets. Participation of ordinary people in the 1985-1987 period meant glasnost and democratization of the workplace. During that interim he would wage a futile battle over economic policy and agricultural reform against a resistant bureaucracy.

At the 27th Party Congress in February 1986 Gorbachev attacked the Brezhnev years as a period of stagnation, "of postponed decisions and missed opportunities, when a 'curious psychology--how to change things without really
changing anything'--had been dominant" (Gorbachev, Izbrannye rechi i stat'i, vol. 3, 181, in White 1991, 74). Concerned with accelerating the rate of economic growth, Gorbachev proposed intensive investment in targeted technological sectors, which he emphasized to be the cure for all the nation's problems. He mentioned political reform, the "democratization of society," but the emphasis of his address was still fundamentally economic (Lowenhardt et al. 1992, 74; White 1991, 24). For Gorbachev, who held a degree in agriculture and had been Central Committee secretary for Agriculture, the state of Soviet agriculture was a major and personal concern. The harvest in 1985 had once again been dismal.

As a stimulant to encourage production and the profit motive in small-scale agriculture, farm leaseholding had been around since the 1970s. It was part of a larger effort to introduce a variety of agricultural management forms, from collective and state farms to family plots; and the integration of these farming units with agricultural enterprise support functions. Under a leaseholding arrangement, a group of farmers "received areas of land, livestock, buildings or other resources on a contract basis with the right to sell any surplus" (White 1991, 110-111). But, as Zhores Medvedev reports, by 1984 the agricultural bureaucracy had become so fragmented and specialized, that farm management had to deal with more than 13 ministerial branches and their networks on a local level (1986, 204-206). The system was not working; participation in agricultural programs and experiments in profit-oriented farm management were a failure. In 1985 the Gorbachev leadership directed its attention to the bloated bureaucratic apparatus

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which it identified as an obstruction to agricultural production and progress.

On November 22, 1985 the Central Committee and Council of Ministers created the State Agro-Industrial Committee, Gosagroprom, by combining five agricultural ministries and two state committees. This decision was confirmed by the Supreme Soviet three days later. Gosagroprom’s new chairman was a Gorbachev associate, Vsevolod Murakhovsky, who was also made a deputy prime minister (Medvedev 1986, 206-207). This reorganization was intended to separate the administration of agriculture from the heavy industrial and defense sector. The Gorbachev administration also encouraged decentralization of agricultural decision-making and the vertical integration of farms with enterprises for storage, distribution, and processing. There were also to be production incentives for exceeding target plans (White 1991, 111-112).

Despite these and other changes, many difficulties remained. Nearly 20,000 collective and state farms (42 per cent of the total), in the late 1980s, were operating at a loss or making negligible profit; in some 3,000 cases the earnings involved were not enough even to cover the cost of labor, and in these and other cases there could be no prospect of a transition to self-financing. There was a serious shortage of minor agricultural equipment, as distinct from the massive combines and tractors that were required for state and collective farms, and political direction at the local level proved very difficult to reduce (White 1991, 112).

Medvedev noted another serious problem Soviet agricultural had and its reform would have, even with reorganization--stopping the rural exodus (1986, 203). Urban areas offered better work, facilities, and living opportunities than the countryside. The Soviet farm laborer would have to be convinced it was to his benefit to stay on the land and become an independent businessman. This did
not happen and was discouraged in large measure by the actions of the nomenklatura, who stood only to lose at the gain in wealth and status of the Soviet peasant. The farm managers of the local ruling elite could and did effectively obstruct local entrepreneurial initiative and defeat the successful implementation of leaseholding and other Soviet agricultural reforms. Rutland reports that only 40 percent of Soviet farms were claimed to be leased by 1989, and most of those were only paper fabrications (in White et al. 1992, 212).

There were many ways in which farm managers could make life difficult for leaseholders, by denying them access to equipment, transport and fertilizer. Most peasants seemed wary of making a commitment to private farming, since they feared that the political wind could blow in the opposite direction a few years later (White et al. 1992, 212).

By 1987 it was clear to Gorbachev that the Soviet Union's economic problems would not be remedied through discipline or programs for economic acceleration and intensification—and real system reform was unavoidable. This recognition marked the beginning of the second stage of Gorbachev's policy, with political "democratization" to accompany economic reform. While formal change to political institutions would wait until 1988, the warm-up process for popular "democratization" began a year earlier. Gorbachev used the January 1987 Central Committee Plenum as a forum to propose electoral changes for the local soviets and urge political reform.

... a political 'democratization' was promised. After the plenum, perestroika of the economy became the prime slogan. During 1987 new rules were adopted to place industries on a self-financing basis and to create space for cooperatives. Unfortunately, most of the reforms were as ineffective as Kosygin's 1965 plans had been. The Soviet economy
remained stagnant. Gorbachev was more successful in his simultaneous expansion of glasnost (Lowenhardt et al. 1992, 75).

Glasnost

Mikhail Gorbachev’s election as General Secretary in March 1985 was not for his policy platform—he did not have one—nor did it include a mandate for Soviet reformation. He was elected to office and expected to fix the economy, but with unspecified authority; it was upon his own force of will and actions that the success of his agenda depended. Not that well known to the Soviet public, or even within the party, Gorbachev first required a means to make his name a household word, to advance his views, gather support, eliminate competition and generally enhance his political standing. Glasnost provided such an opportunity. From the outset Gorbachev was committed to a policy of glasnost, or openness. But never did he intend glasnost to become an end in itself; it was intended as a vehicle to promote and support his economic and political reforms. Although greater openness had started with Khrushchev, not until Gorbachev was Soviet public life allowed such scrutiny at close quarters.

Doder and Branson warn that efforts to accurately translate "glasnost" have often left short a thorough understanding of its meaning in the context of the glasnost policy. Literally translated as "openness" or "publicity," its use as a descriptor for Gorbachevian policy associated with it additional political implications (Doder and Branson 1990, 42).
It stands for greater openness and candor in government affairs and for an interplay of different and sometimes conflicting views in political debates, in the press, and in Soviet culture. Gorbachev had talked about glasnost from the very beginning, but had spent his first year focusing on his economic strategy for perestroika. It was his frustration with the party, which was either unwilling or unable to enact even modest changes, that made him wave the glasnost banner. Clearly, the unsettling instructions for greater efficiency and accountability were threatening party privileges, habits, and comfort. Clearly, the sprawling bureaucratic elite was resisting the reformist tsar. He'd been in office more than a year, but nothing was moving (Doder and Branson 1990, 42-43).

The glasnost policy served several tasks in support of Gorbachev's reform agenda. White points out that in the first days Gorbachev may have believed the openness of glasnost would help energize and make more productive the Soviet workplace, reversing the stagnation of the Brezhnev era (1991). Another task glasnost quickly fulfilled was to differentiate the new leadership from the past and make clear its intentions for the future. This began with a reassessment of past leaderships but soon turned into attacks and condemnations, first of Brezhnev's "stagnation" in 1986 and then of Stalin's "cult of personality" in 1987.

Anti-Stalinism was particularly critical to Gorbachev's perestroika and democratization strategies; it provided the platform for assault of the command-administrative system, the legacy of Stalinism and stronghold of the nomenklatura. With glasnost, flaws and "deformations" of the Soviet system were unmasked and opened to criticism. Those within the party and of the party-state apparatus guilty of corruption or found obstructing reform policies were made particularly vulnerable. In 1988 victims of Stalin's purges, like Nikolai Bukharin, were being rehabilitated and posthumously restored to Communist party membership. By
1989 it was even possible to rehabilitate Khrushchev, and his 1956 "Secret Speech" was finally published for the first time in the Soviet Union (White 1991, 70-78).

Information previously denied or manipulated in the past was made available by the Gorbachev administration. As Soviet sociologist "Zaslavskaya and others had remarked, the quality of public information had steadily deteriorated over the Brezhnev period as problem after problem was 'resolved' by simply discontinuing the publication of any information about it" (White 1991, 79). Previously forbidden data on prostitution, abortion, crime, infant mortality, alcoholism and drug use were made available and allowed open for public discussion (White 1991, 79-82). The "first useful figures" for Warsaw forces were published in 1989 and Gorbachev, to the Congress of People's Deputies in May of 1989, reported the "first meaningful figure for Soviet defense expenditure" (Pravda, January 30, April 19, May 30, 1989, in White 1991, 85).

Asked in a poll in 1989 what had been the most important outcome of perestroika, the largest single group of respondents cited glasnost, truthfulness of information in the press, radio and television. Economic reform--the transfer of enterprises to self-financing and new forms of management--came second with 54 per cent, and changes in the government and electoral system came third with 46 percent (Izvestia, April 22, 1989, 6, in White 1991, 90-91).

The 1987 Experimental Soviet Elections

Soviet electoral reform did not suddenly become an issue with the politics of Mikhail Gorbachev in the latter 1980s; scholarly debate can be traced back to the 1960s and earlier (Brown 1992, 13; Hahn 1988, 436-437). For Gorbachev,
electoral reform provided a way to attack and remove the complacent and ossified nomenklatura of the party-state who obstructed his perestroika agenda--those who took for granted their election to public office as automatic--and replace them with his own people. To do so, he advocated introducing democratization to the nomination and electoral process with the competition of multiple candidates--more than the seats available--in order to offer the Soviet voter real candidate and policy alternatives. He suggested beginning at the local soviet level, by changing from single-member to multi-member districts and opening up the nomination process then dominated by party leadership.

The soviets, or councils, were considered the principal vehicle through which the democratic spirit of the October revolution of the October revolution was preserved. In every territorial subdivision of the state--every town, village, rural district, city, province, ethno-territory and republic--there was a corresponding soviet. . . Soviets tended to be quite large: in 1987, 2.3 million deputies were elected to 52,000 soviets in all. . . Soviets were not deliberative, policy-making bodies, but were means of acquainting deputies and citizens with policies and priorities of the regime at each level of the state, of giving deputies a feeling of personal responsibility for the well-being of the system, and of showcasing the democratic character of the state (Thomas Remington, in White et al. 1992, 156).

On January 28, 1987 Gorbachev recommended to the Central Committee that new competitiveness be introduced to the election process, specifically proposing the multiple candidate, multi-member district option for the nomination and election of deputies to the local soviets. In late February enabling legislation was passed in the republics which required about 5 percent of the deputies to be elected from new multi-member districts in the upcoming June local soviet
elections--as an experiment. The results of these experimental elections were to be analyzed as the basis for new national legislation which would cover all local soviets by 1990 and, perhaps, even the Supreme Soviet (Hahn 1988, 434).

The June 29 elections seemed to have been nothing out of the ordinary by Soviet standards, especially for those 95 percent of the seats where only one candidate was on the ballot. However, the nomination process and the election results did show a difference. Even in single-member districts where only one candidate was on the ballot, the nomination process in some cases had been competitive. Runoff elections were required in 93 of the 162 multi-member districts. The increase in defeated candidates, those not elected and receiving less than 50 percent of the vote, was noted to be significant (Hahn 1988, 440-443).

In his review of the Soviet press following the election, Hahn cites various examples in the multi-member districts where the rules of the game had seemingly been changed (1988, 443). Where election had before been a virtual certainty, particularly for the local party leadership, it seemed to be no longer the case; the apple cart had been upset. According to election procedures for the local soviet, those candidates not receiving a sufficient number of votes in a multi-member district to receive a seat but still winning over 50 percent of the vote were elected "reserve deputies" who could participate in local soviet activities but not vote; less than 50 percent and they were not elected. This was important because to be a member on the executive committee of a local soviet or its standing committees one was required to be a deputy (Hahn 1988, 444-445). While this did not
immediately mean the party’s election losers would suffer the additional loss of nomenklatura assignment, the writing was on the wall: "they found themselves ineligible to be elected to their old executive positions and so suffered a marked loss of status" (Hahn 1989, 36). Summarizing the impact of the 1987 experimental elections as an element of Gorbachev’s democratization strategy, Hahn writes:

Gorbachev’s acceleration of the processes of democratization is to amass greater political power in order to remove those in government who are opposed to perestroika. And indeed, in every instance, the policies of democratization appear to be serving this purpose. For example, the June 1987 experiment with competitive elections conducted in some 5 percent of the electoral districts resulted in the removal there of many such opponents from executive and administrative leadership positions (1989, 44).

Gorbachev’s electoral strategy hit the mark squarely; the nomenklatura was now vulnerable to defeat in elections for public office and being displaced from the party-state structure. Their privileged status was threatened but they were not retreating or on the run, since they still controlled the party-state bureaucracy. However, the terms and conditions of Soviet governance, as described by the social and political contracts, was being altered. Glasnost and electoral reform were bringing new players into the Soviet political arena to share power. The dilemma for Soviet rule was that its paradigm was essentially unmodifiable; the redistribution of power could not progress far without also imperilling the Soviet political order. The party’s political leadership and, by implication, its Marxist-Leninist claim to represent the will of the people were sacrificed to Gorbachev’s democratization and glasnost. The nomenklatura would not simply acquiesce to
the Gorbachev agenda because it meant the abdication of power and relinquishing of privilege, but neither could they stop the process he had begun.

The Changing Social and Political Contracts

Hauslohner noted in the latter half of 1987 that the Soviet social contract had survived for a long time and "worked tolerably well," but that "this bargain between the regime and society has now come undone, and Gorbachev has seemed to acknowledge this as well" (1987, 60). The high costs to support the arrangement had become a severe strain on state resources and were still rising, a stagnant economy making a bad situation worse. The benefits to the regime of supporting the social contract had also become less clear with the appearance of "undisguised social protest," of "deepening demoralization and spreading anomie in the society at large" (Hauslohner 1987, 60-61). Not just the Gorbachev administration, but social forces within the Soviet Union were pressing for the social contract’s renegotiation.

Hauslohner also cites a lack of consensus and growing debate between the political elite and intelligentsia over the merit of current Soviet social policy. The latter were critical of the guarantees and safety nets of the contract inherited from Brezhnev, especially wage leveling and job security, as encouragement for society's blight and lethargy. Not just with the Soviet elite, but dissatisfaction was also to be found in large segments of the population which objected to the old contract's concept of "social justice" with its egalitarian distribution of system entitlements.
Initiative found no reward in a state welfare system which granted protection to anyone, whether or not they worked hard and obeyed the rules. Moreover, the post-Stalin social contract had lost its "constituency" support, it still represented only an arrangement with the blue collar worker. The old contract did not acknowledge changes to the composition and sophistication of the workforce associated with Soviet urbanization and industrialization—the growing number of skilled technical workers, middle-managers, and college-educated professionals. The "new" Soviet worker demanded recognition—to also be made a winner—by inclusion and preference in the social contract (Hauslohner 1987, 61-62).

Reformulation of the social contract was necessary not only to satisfy constituency coverage, but because it was essential to economic modernization—its success depended upon the enthusiastic support and participation of the "new" Soviet worker. This required a "vesting" of society through the extension of privileges for political, social, and economic participation—ownership and a stake in the system—as exchange for support of the regime's economic policies and its continued legitimation. Such a redistribution of political, social, and economic power could only be accomplished at the expense of the nomenklatura, with some sacrifice of the political contract's favorable terms to compensate for society's gain. Nothing would be given in return; it was zero-sum—the nomenklatura would simply lose. Gorbachev failed to recognize he could not simultaneously uphold both contracts, playing one off against the other. Firmly in control of the command economy, through the party apparatus and state bureaucracy, the ruling
elite would stubbornly resist and obstruct any challenges or changes to Soviet institutions which altered its favorable allocation of power and privilege.

Gorbachev's economic program consisted of contradictory policies. It was manifested by an attack on the command-administrative structure, the institutional mechanism for nomenklatura control of the Soviet state economy. His plan to accelerate the economy through better discipline and alteration of administration for the central command system was an open invitation for their opposition. On the other hand, maintenance of the inefficient command economy structure was fundamental to the state's capacity to meet its welfare obligations—to guarantee full employment, subsidize selected consumer goods and services, and otherwise avoid the uncertainties of a free market. So long as such guarantees could be and were fulfilled by the state, a commitment by both society and the nomenklatura to the status quo were encouraged. There was no apparent need for change or innovation. Nonetheless, to the state of the Soviet economy, which also made the terms of the Brezhnev social contract meaningless, the leadership responded with corrective actions. The execution of economic policy in the 1986-1988 period was synonymous with the process of social contract reformulation and came at considerable cost to social security and equality. The new leadership initiated, or announced its intent to initiate, measures which threatened to undercut base provisions of the 'social contract' in all major policy areas: employment security, wage and income equality; price stability; and socialized services. New programs of automation and labor force restructuring threatened to displace large numbers of workers from previously secure jobs. Intensified demands for productivity and cost accountability began to replace the lax labor and financial regimes which had assured employment even to the marginally productive. The
leadership initiated a wage reform which increased differentials among skill grades and between blue-collar and managerial personnel (Cook 1992, 37-38).

By his actions, intended and not, Gorbachev's economic policies and those of glasnost and democratization in the 1985-1987 period began the exchange of legitimacy based on state contract performance for one of popular participation, with the beginning shift of authoritative power from party-state to representative institutions, giving the Soviet masses a stake in the system. Gorbachev's glasnost policy began the transformation of his "revolution from above" to a "revolution from below." The social contract saw the reduction of its socio-economic guarantees. The political contract was also delivered its opening salvoes; the threat to nomenklatura privilege and social status made clear by the damage of glasnost and the experimental soviet elections of June 1987.

By opening up the media, by revealing all the shortcomings and outlining all the problems in the country, by politicizing the population, Gorbachev was assured that his program would touch every family. He had started a 'revolution from above'; he wanted now to open another revolutionary front, 'from below.' His target was the 'entrenched, inner, immovable bureaucratic party layer,' which Pravda in December 1985 said was based on privileges, and which had positioned itself between the leadership and the working people (Doder and Branson 1990, 144).

Making an end-run of his Establishment opposition—the nomenklatura—Gorbachev sought a new consensus in a popular constituency to support his policies for economic and political reform. The consequent redistribution of political power, which favored the social contract over the nomenklatura's, altered the expression of Soviet national purpose and its paradigm for governance. In the
sense that a Soviet national will, as such, had previously been represented by the party, was expressed by the Politburo and supported by the party apparatus—to protect their vested interests and privileges within the nomenklatura system—Gorbachev’s attempt to enlist a popular constituency as a new and different basis of consensus changed the sense of a Soviet national purpose. However, it soon became apparent that a new general will representing the Soviet peoples would neither be constituted nor seek expression. Instead, the Pandora’s box of the Soviet multinational state was opened. Previously repressed social and political forces were released which bankrupted any notion of Soviet governance under the existing social and political contracts. Intending change and reform, Gorbachev brought revolution.

Soviet politics were profoundly changed by the acknowledgment of diversity and recognition of legitimate political opposition, and even a limited degree of tolerance. This was the inherent and obligatory baggage of glasnost. The anti-perestroika attack and defense of Stalinism in the letter of Nina Andreyeva, a chemistry teacher from Leningrad, to Sovetskaya Rossiya in March 1988, is a much cited example of the glasnost burden. With his political adversary Yegor Ligachev clearly behind the scenes, there is no question but that the Andreyeva manifesto was a conservative attack on Gorbachev from within the Kremlin walls, pitting one Politburo faction against the other. Gorbachev’s perestroika forces published their reply, authored by Alexander Yakovlev, in Pravda the following month (Smith 1991, 133-136). This episode was evidence of both the presence
and official recognition of opposition at the highest levels of Soviet politics. It also showed a new permissiveness on the part of the regime: the expression of citizen opinions different than the Soviet government's did not carry the automatic penalty of the gulag or death.

Gorbachev's policy of glasnost literally transformed the relationship between ruler and ruled in the Soviet Union. Glasnost empowered Soviet society. The clause of the social contract which obligated society to political submission and silence was voided by the regime's invitation to take a stake in the system and participate in its policymaking process. The Gorbachev administration's encouragement to discuss policy alternatives could, in a Soviet fashion, almost be said to have "enfranchised" those who participated through the media in the public debate and exchange of information. To call this a new civil right would be too much; this was still an authoritarian state. But it was a civil privilege, empowered by the state, and the broadening of the Soviet political process by this grant was irreversible. That is what Gorbachev intended, but he also thought it would be possible to control public participation under the guidance of the Communist party and administration by the party-state. He was wrong.
CHAPTER III

PERESTROIKA AND DEMOCRATIZATION: 1987-1989

Phase Two: Get the Economy Moving!

After focussing for two years on conservative socio-economic policy—to stimulate economic growth through investment and better management—without success, Gorbachev launched a new agenda. By 1987 he had discovered the linkage between economic and political change: Soviet political reform was necessary for economic modernization, and survival of the Soviet state depended on reforming the economy. Thus, political reform became his priority in a new strategy for system restructuring, or perestroika, and the period 1987-1989 would see an endeavor to instill new life and purpose in the Communist party and Soviet government through reform and democratization. However, Gorbachev would attempt to confine his program to the implementation of reforms compatible with the parameters of the Soviet system—to system-adaptive change. But, though the intention of his strategy and policies were limited, the authoritarian system's inability to accommodate change caused his actions to precipitate the transformation of the paradigm for Soviet rule. Gorbachev did not anticipate the challenge to Soviet legitimacy he would cause by opening the political process; that the invitation to popular political expression and participation would arouse
repressed national aspirations and other social forces which, de facto, would reformulate the social and political contracts which defined the conditions of Soviet governance.

Contracts Under Pressure: From System-Adaptive Change to Reform

Mikhail Gorbachev continued where his mentor Yuri Andropov left off. No one expected Gorbachev to encourage or provoke a Soviet reformation; and for nearly two years his message was discipline and the "acceleration" of social and economic development. His primary concern was to get the economy moving and growing again, and he expected to accomplish this by kick-starting it with targeted investments and economic reform. Legislation was enacted to encourage private business initiatives, limited bureaucratic restructuring took place, and efforts were undertaken to decentralize the decision-making process of the command-administrative system. But political reform was not part of the plan. Gorbachev occasionally mentioned the need for democratization, but without much detail. He did attack the stagnation of the past decade, the "do nothing, don't shake the boat" mentality of Brezhnevism and the party-state bureaucracy, but not until 1987 would he begin to assault it head-on when he made political reform a priority of his perestroika strategy.

Gorbachev believed, as Andropov, that reform of the economy could not be successful without first removing corrupt Communist party cadres who were preventing its modernization (Olcott 1991, 338). In 1985 this meant a campaign
to eliminate corrupt political bosses in the Soviet republics; by 1987 this became an attack on anti-perestroika elements within the party. Gorbachev clearly recognized opposition within the nomenklatura to his economic strategy and its ability to obstruct policy implementation. In the name of political reform, government restructuring, and democratization he sought their removal and replacement by others—still of the nomenklatura—but favorable to his program.

... in placing reform of government at the top of the agenda, Gorbachev and his colleagues were moved not so much by commitment to democracy, at least in the short run, as by the wish to replace those members of the state bureaucracy and party apparatus who oppose perestroika with those who favor it (Hahn 1989, 35).

By itself, the removal of corrupt party members did not constitute a threat to the nomenklatura as a ruling class or their political contract. But this was clearly not the limit to Gorbachev’s mission for, by 1989, "four-fifths of the top party leadership, more than nine-tenths of the top government leadership, and nearly three-quarters of the republic and regional party bosses" were replaced by newcomers (Rigby 1990, 255-256). With the process of economic perestroika and democratization underway, the established rules of Soviet governance began to undergo modification. Both as a system and a social group the nomenklatura was being threatened. The political contract was being renegotiated by the regime to the disadvantage of the nomenklatura and without its consent. Its guarantee of lifetime tenure was voided, and privileges and benefits were being curtailed or eliminated. Like Robin Hood, Gorbachev was taking from the rich in order to give to the poor—to the beneficiaries of the social contract. However, even for
the at-large contract, it was also not simply a matter of gains without loss.

Hauslohner (1987) points out that the Soviet social contract required renegotiation to be compatible with economic reform. He argues further that, by 1987, a new social policy was already being fashioned. Providing both explanation and justification for Gorbachev's economic agenda, it was of three parts. First was a pledge that living standards would significantly improve over the next fifteen years, accompanied by a doubling in the supply of consumer goods and services. However, state entitlements would likely be reduced as incomes increased and the availability of goods and services grew. Social inequality would probably also rise, partly because of fewer entitlements, but due more to "meritocratic" wages based on work performance and, as a consequence of purchasing power, unequal access to goods and services. Second, while economic security—guaranteed employment, in particular—would be reduced for society at-large, social safety nets for mothers, children, and the disabled would be strengthened. Third, although certain entitlements which many assumed as social rights might be reduced or eliminated, those losses would be more than compensated by greater economic opportunities and workplace democratization (Hauslohner 1987, 66-67).

This social policy was clear indication of the Gorbachev regime's intention to reduce the state's obligations under the social contract. In exchange the state would lessen societal repression, permit greater political freedom, and provide new material incentives through a market-oriented economy. Though it may have been Gorbachev's desire to downgrade the component of Soviet legitimacy based
on socio-economic performance, as exchange for a political stake in the system, he would not be allowed do so. That was not society's wish, even if the state had no choice but to offer such a bargain. Importantly, by reformulating the contract in this fashion, by opening the door to political opposition and competition, Gorbachev altered the prevailing balance and structure of Soviet political power. The Communist party's leading role and monopoly on political power were made vulnerable to opposition and the formula for Soviet rule was modified.

In her examination of the social contract inherited from Brezhnev, Cook points out that the Gorbachev administration's economic policies in the 1986-1988 period began the process of altering the "old" contract's guarantees of job security, wages, and lax production standards (1992, 48). These policies met opposition, from workers and management alike, who felt threatened by the transition to the uncertainty of a market economy's law of supply and demand, and a new type of state planning which set quality standards and quotas for judging production performance. Their concerns were not without foundation: Pravda reported in October 1988 that the Gorbachev administration's reform policies had displaced nearly 3 million Soviet industrial laborers by the end of 1986 (Cook 1992, 40). But now the Gorbachev regime had changed the rules of the game and Soviet workers could defend the guarantees of their old social contract against change. They caught the reformers in the awkward position of encouraging contradictory policies for workplace democratization and economic reform: the privilege of political expression permitted labor's opposition to reform and, more than once--
through strikes and demonstrations—they forced the leadership to concede or retreat on policy implementation (Cook 1992, 48-49).

... the reform leadership appeared unwilling to enforce measures which would cut deeply into the old guarantees, or adversely affect the welfare of broad strata of workers. It acted as if constrained to deliver the old package of 'social contract' policy goods, even in the face of its own preference for (and commitment to) different policy and allocational outcomes. The pattern of policy retreats fits the hypothesis that the 'social contract,' conceived as a set of societal expectations and state obligations, constrained the Gorbachev leadership from pursuing its chosen reform strategy (Cook 1992, 52).

Economic Reform

The Law on State Enterprise

Passage by the Supreme Soviet of the Law on State Enterprise in June 1987 was the legislative centerpiece of Gorbachev's economic perestroika. Scheduled to go into effect in January of 1988, the new law provided for worker election of management, allowed businesses to set wages and discharge workers for poor performance, called for enterprise self-financing and cost accountability, and permitted the enterprise to determine the use of its own profits.

Obviously, one central element of Gorbachev's new economic program was to shock the system into realism through a sharp dose of candor from the top. ... The cornerstone of his new policy was the promise of more freedom from bureaucratic control for farms, enterprises, and industrial associations (Smith 1991, 240).

Intended to accelerate economic growth, this legislation was designed to attack the waste and inefficiency of the command-administrative economy—
controlled by the nomenklatura—
and encourage local initiative, self-management
and accountability to market forces. But, even though it was meant to reduce
ministry interference with local economic management, state planning was not
completely abandoned; that would have been too much. Instead, the leadership
chose to invoke the logic of contradictory economic concepts—the command-
administrative system’s central planning and laissez faire market theory. Central
planning was continued, although with so-called "non-binding" guidelines, and
ministries were allowed to issue "state orders" for essential goods and services
(Smith 1991, 241). And because the Soviet leadership did not want to disrupt
production in the troubled Soviet economy with reform, it insisted that firms still
meet their objectives for the five-year plan ending in 1990. Whatever autonomy
local businesses were intended to have was undermined (Peter Rutland, in White
et al. 1992, 210). There was not much incentive for change, and little occurred.

The ministries were to be responsible for ensuring that the nation’s needs
were met in every sector, and for checking cost and price inflation among
the enterprises under their jurisdiction. Beyond that, the basic priorities
and levels of large industrial investments would still be set in Moscow.
Such were the terms that Prime Minister Ryzhkov, as the principal figure
in economic policy-making and the prime protector of the ministerial
bureaucracy, had extracted from Gorbachev. Ryzhkov had come from
Gosplan; he believed the central machinery of planning was essential to
keep the nation’s needs and output in balance (Smith 1991, 241-242)

Self-financing and cost accountability were intended to cover all sectors of
Soviet production by 1989. However, no sooner was the Law on State Enterprise
adopted than it faced the challenge of party and state officials protecting their
unprofitable enterprises. The threat that state subsidies might be denied meant
the possibility of bankruptcy—an eventuality previously unknown to the captains of Soviet industry. For a time in the fall of 1988, such was the determination of the Gorbachev leadership to cut the Soviet budget deficit—and state subsidies were a primary drain—that it appeared the administration was ready to enforce financial measures which would have forced several unprofitable enterprises into bankruptcy. However, in what would become typical of Gorbachev’s behavior, his administration retreated and continued the program of state subsidies. Also ended were fears of massive worker dismissals, which might have happened in the event of enterprise bankruptcies and business closures (Cook 1992, 42-44). Faced with the paradox of Soviet reform—that economic modernization could only proceed at risk to upholding the social and political contracts which determined state legitimacy—Gorbachev backed down.

Gorbachev . . . was wary of alarming the blue-collar proletariat with his ideas of reform. While he drummed on the theme that Soviet workers had to work and produce more and that managers had to cut unnecessary staff, he also promised Soviet workers that his new economic mechanism [The Law on Socialist Enterprise] would not cause unemployment. And to prevent catastrophes from befalling firms that operated in the red, the fine print in the new economic scheme instructed ministries to build up reserve funds to support these losers—by imposing special levies on profitable enterprises (Smith 1991, 242).

**The Law on Cooperatives**

In addition to the Law on State Enterprise, new legislation governing individual and group non-state business activities, an encouragement to Soviet entrepreneurialism, was approved in May of 1987. Production in this sector was
not to interfere with that of the state economy, which was to remain dominant, and participation was limited to those who were not already full-time members of the workforce, invalids, students, and to days-off for those already employed (White 1991, 112). It was hoped a private business sector would provide additional jobs in the lagging economy and help fill the gap between supply and demand for consumer goods and services.

In May 1988 the Law on Cooperatives was approved, "the most radical single economic measure to have been introduced in the first years of the Gorbachev leadership" (White 1991, 113). Like the legislation of May 1987 concerning individual and group activity, which also encouraged the private sector, this law was another response to the failings of the central planning system—to its inefficiency, ineffective self-management, and its inability to respond and produce to real market demand. Cooperatives were to be exempted from the dictates of state planning and orders, to have considerable flexibility in pricing, and even to be permitted participation in joint ventures with international companies. The cooperatives were especially urged to absorb into their workforce those laborers displaced because of cutbacks, technology or other changes (White 1991, 113).

By the end of 1988 individual and cooperative businesses employed 787,000 of the 135 million persons in the Soviet workforce (Rutland, in White et al. 1992, 211). By early 1990 it was reported there were over 193,000 cooperatives in the Soviet Union, employing a workforce of nearly 5 million—over 3 million full-time. Over 1200 joint ventures had been registered with the government, of which 307
had started operations (White 1991, 113-115). The cooperatives were able to offer consumer goods and services in demand, many not available through state sources, and for which they commanded high prices. Consequently, incomes for cooperative employees were often better than the national average. There was even talk of "ruble millionaires" among the cooperative members (White 1991, 124). Nonetheless, the nomenklatura was capable and efficient in its opposition to the private cooperatives, throwing up bureaucratic obstructions—price controls, hiring restrictions, licensing requirements, etc.—to make business at least very difficult if it could not be prevented (Rutland, in White et al. 1992, 211).

There was considerable opposition to the new entrepreneurs, both from state managers who did not appreciate the competition, and from citizens who saw the cooperatives as profiteering from shortages and as being fronts for laundering black-market fortunes. The cooperatives only really took root in the Baltic Republics, Moscow and Leningrad. In most provinces, local officials were able to strangle the nascent cooperative movement in its cradle. The official trade unions, searching for a new role, leapt onto the anti-cooperative bandwagon, denouncing high prices and sending teams to monitor the distribution of food and consumer goods (Rutland, in White et al. 1992, 211-212).

Political Reform

Gorbachev recognized that the nature of Soviet politics would have to change if his economic perestroika were to succeed. He announced his intention to initiate a process of political reform to a Central Committee plenum in January 1987 where he promised democratization and called for electoral reform, in particular of the local soviets. The following June local soviet elections took place
with experimental multi-member districts in selected areas nation-wide. The results of those elections were to be analyzed as the basis for preparation of future national legislation for political and electoral reform. That same month the Central Committee also agreed to call a party conference the next year to consider political reform.

By the beginning of 1988, it had become clear to [Gorbachev] that although a number of measures had already been adopted, the reconstruction of Soviet society was falling far short of his goals. And after the economic reforms had been approved, it became evident that their successful implementation depended on the introduction of a program of political reforms as well (Hahn 1989, 34).

Gorbachev determined that political reform was to be the top priority of the June 1988 Party Conference. To the Central Committee in February 1988 he expressed his dissatisfaction with the progress of reform and his frustration with those in the party-state apparatus who obstructed change. Gorbachev declared his desire to accelerate the "process of democratization," political reform explicitly, with the soviets to be given especial attention (Hahn 1989, 34).

Theoretically, officials of the administrative and executive departments of local soviets were accountable to the popularly elected soviet deputies who appointed them. In reality, it was the local party leadership that made the appointments--they were part of the nomenklatura system--and the soviets merely rubber-stamped the decision. Decision-making occurred in a similar fashion, the Party apparatus controlling the soviets. According to Hahn, even though a majority of elected deputies were not Party members, nearly all chairman and
over 80 percent of the executive committees were. In addition, there was a one-to-one matching of the soviet's administrative departments with local party committee personnel. When it came to community decisions it was "understood that if you want to get something done, you go first to the local party leadership" (Hahn 1989, 41).

To begin electoral and political reform with the local soviets was a logical response to the top-down resistance Gorbachev was getting to implementation of his perestroika policies. He intended to undercut the control of the nomenklatura and party-state apparatus by end-running them and reasserting authority at the very base of the Soviet political structure--through the authority of popularly-elected representatives over the bureaucracy (Hahn 1989, 35, 38). Gorbachev did have support for his campaign to reform the soviets; one survey published by Izvestiia a year after the 1987 soviet elections showed that only 6 percent of those polled preferred keeping the old system without change (Hahn 1989, 36).

At June 1988 Nineteenth Communist Party Conference Gorbachev called for the decentralization of political authority, democratization, and economic reform. He attacked the command-administrative system as the primary obstacle to his perestroika reforms. He described it as an apparatus which was not representative of the nation nor subject to its control, and which sought to impose its own will over the nation's interests in economic and political affairs. He also presented his plan for renewing the initiative of soviets, recommending even that soviet chairmen should be determined by popular election rather than selection
by deputies. However, he did suggest that the local party secretary should be automatically nominated for the post, reflecting his desire that the Communist party not lose its influence over the soviets and fully expecting the Party leadership to win in more competitive election contests.

In effect, what Gorbachev proposed to the Party Conference was the combination of continued Party rule with new democratic institutions. Most significant was his proposal of a constitutional measure to institute a new parliament, elected through a more democratic and representative process. His scheme was to transfer political power from the party to government structures, to empower a pro-perestroika parliament dominated by Party elements loyal to himself and pit them against the conservative party-state bureaucracy. From this parliament a permanently working Supreme Soviet would be appointed which, in turn, would elect a presiding chairman--none else than Mikhail Gorbachev.

The Party Conference adopted proposals which the Central Committee reviewed further that summer and which became new legislation or constitutional amendments by action of the Supreme Soviet in November and December. In addition to a measure calling for more competition in the electoral process, the structure of Soviet government was altered with the establishment of a new parliament--the Congress of People’s Deputies--and a court of constitutional review. Elections for the new legislature were to take place in March 1989. Of the 2,250 members of the new Congress, 1,500 were to be elected in popular competitive local and regional contests. In addition to those deputies elected at-
large and by Soviet subdivisions in multi-candidate elections, the remaining 750 Congress deputies were designated to represent a wide variety of specified "social organizations," including the Communist party. These changes to the Soviet representative process were considered as preliminary to a process which would finally be extended to the republics, local governments, and throughout Soviet public life (White 1991, 26). Addressing the manner of Gorbachev's changes to the distribution of Soviet political power, Kramer notes:

... Gorbachev steadily transferred power from the Communist party to state and legislative organs. Starting in mid-1988, Gorbachev sought to downgrade the office of party general secretary (which he continued to hold) as part of a broader effort to weaken the party. At first he did this by transferring functions from the general secretaryship to his new post (after October 1988) as chairman of the Supreme Soviet. But when the chairmanship of the Supreme Soviet proved insufficient, Gorbachev induced the Congress of People's Deputies to approve further constitutional changes in March 1990 that created an office known as president of the Soviet Union, to which he was appointed for a five-year term (1991, 317).

The Nationality and Federal Questions

By 1988 glasnost had helped deliver a fatal broadside to the "prison house of nationalities." Political expression in opposition to the "system" had become legitimate, and it empowered not just the opponents of perestroika but also enemies of the Soviet federal state. This outside-the-system opposition had first been "enfranchised" by glasnost, then granted official political representation with the restructuring of Soviet government in late 1988 and elections for the Congress of People's Deputies in March 1989. Pluralism and legal opposition were legally
recognized and introduced to the Soviet political process. The "leading role" of the Communist party was no longer automatic, but subject to its success at the election polls.

As Gail Lapidus points out, the Soviet nationalities question was not part of Gorbachev's 1985 agenda; the policy of glasnost and strategies for economic and political reform were the vehicles which made it a priority (in Brown 1992, 39). The lessening of societal repression which accompanied the policies of glasnost and democratization had awakened dormant national aspirations. The manifestation of nationalism became not just a challenge for the effectiveness of the perestroika strategy, but its centrifugal nature threatened the very survival of the Soviet state. It was an unintended outcome of Gorbachev's glasnost and democratization that political power came to be shared with those nationalist elements who opposed preservation of the Soviet state and its federal structure. A fundamental assumption of Marxism-Leninism was undermined: that class differences and nationality could be overcome by socialism, through scientifically correct economic and social development.

What had been the struggle to remake the state and society would soon be preempted by another and desperate effort by Gorbachev to preserve as much as possible the existing structure of Soviet power and to cling to the vestiges of the Communist creed. The great reformer became simultaneously and incongruously a defender of the status quo on issues such as the rights of the republics versus those of the center (Ulam 1992a, 446).

The emergence of the nationalities question overtook Gorbachev's efforts to renegotiate the social contract; it made that process relatively meaningless in
view of its threat to the state’s survival. It could hardly be expected that those
groups seeking to exit the Soviet federation would seek to renegotiate the social
contract. In addition, Hauslohner speaks of a general dissatisfaction and declining
"constituency" support for the Soviet social contract, that its post-Stalin orientation
to the traditional blue-collar industrial worker neglected the new skilled trades,
highly-trained technicians, and college-educated professionals who had come to
represent a substantial part of the Soviet labor force of the 1980s. The social
contract did not represent the heterogeneity of Soviet society; too many citizens
who should have been included as "winners" under its terms were simply ignored
(Hauslohner 1987, 62). It certainly required reformulation, but with whom and
for what was becoming uncertain.

Finding the authoritarian system unable to remedy a stagnant economy, by
its nature resistant to reform and modernization, Gorbachev altered the rules of
Soviet governance by discarding force--a continued socio-economic buy-out was
beyond the state’s capacity to deliver--and resorting to democratization. He
attempted to build a bridge of controlled reform over which Soviet society,
associated only by force and state entitlements, could cross and land on the other
side a Soviet nation--as one people. But the establishment of democratic
institutions did not introduce democracy; instead it unleashed a long-repressed
society which gave voice to the basic political expression--nationalism--and other
forces of Soviet disintegration. Democracy is a learned behavior, institutionalized
over time through experience; it thrives with the gift of abundance and the leisure
of time and tolerance. Mikhail Gorbachev was not blessed with any of these; he was damned by too little time, no experience, and popular intolerance bred of nationalism, scarcity, and political underdevelopment.

A Changing Paradigm of Soviet Governance

By Gorbachev's time, the argument that a boundary existed between the authority of the party and that of the state was a "legal fiction" (Hahn 1989, 40). In fact, party leadership at all levels in the Soviet Union dominated policy-making and the government was their agency for implementation. Gorbachev tried to make the institutional separation of party and state real by empowering the soviets at the expense of the Communist party and nomenklatura, and through government restructuring with the creation of the Congress of People's Deputies. But his political objective was limited—to eliminate his anti-perestroika competition—not to replace the authority of the Communist party in the Soviet state. He believed the Communist party would and should retain its political authority and leadership even with government restructuring and the assertion of popular controls over the party-state bureaucracy at the soviet and Congress levels. Gorbachev thought broader political participation could be introduced to Soviet politics and still be controlled by the vanguard Communist party. Not only was he mistaken, but he failed to appreciate the damage glasnost had already done to society's perception of the party's right to lead, and he simply had no concept—though Soviet conservatives warned—of the explosive potential of a once-
repressed society now granted political expression.

It is difficult to overstate the importance of glasnost to Soviet political developments. The encouragement of greater openness in government, to the press, academia, and the cultural community of candor in the discussion of public affairs, not only attracted followings for recognized public organizations, but prompted the formation of new group associations in the Soviet community. In no small measure, glasnost helped foster the development of a Soviet civil society through the emergence of social movements. Between 1987 and 1989 a multitude of "informal associations"—independent of those officially sanctioned by the state and with ambiguous legal status—came into being. Numbering in the tens of thousands, these groups represented a wide variety of interests—from political and environmental issues to those of culture or diet. They were generally small, and nation-wide membership for all of them numbered a few millions. However, some groups proved very adept at mobilizing popular support behind their cause and extremely vocal in their challenge to the authorities to take action on their social issues (White 1991, 40; Remington, in White et al. 1992, 160-161). By 1989 the social movements, especially labor and national causes, would wrest the initiative from Gorbachev in defining the public agenda. These new political actors were not just influential parties in the renegotiation of the social contract, but they changed the process, taking over control of its reformulation and forcing the leadership to react to their issues and demands. According to Remington:

Not only were glasnost and the rise of informal associations (neformaly)
mutually-reinforcing phenomena, but each also had a powerful demonstration effect of its own. As people responded to the shock of hearing and reading previously taboo positions in the media, they were often prompted to contribute their own and still more searching or sensational ideas, leading to a progressive deepening and radicalization of public debate. Similarly the same types of political associations—popular fronts, environmental action groups, independent workers' committees and the like—spread quickly from region to region and proliferated as factions split away to form their own groups (White et al. 1992, 160).

The hopeful and constructive stage of perestroika ended in 1989. By then it was apparent that political and economic reform were linked to the explosive nationality issue and constrained by it. The seeds of Soviet destruction were sown, and it was Gorbachev who had provided the catalysts; his glasnost and democratization gave impetus to—even sanctioned—the growing process of Soviet unraveling.

By the end of 1989 [perestroika] had definitely ceased to be, if it ever was, a systematic program of reforms and had become a synonym for changes, some of them intended by the government, others to which it had been pushed by extraneous factors. What was also going on was what might be called rebellion perestroika, such as was inherent in the various units of the federal system adopting reforms on their own and pressing for independence (Ulam 1992a, 441).

Conditions were ripe for a clash of the social and political contracts. The state was reformulating the arrangements, unable to satisfy the performance criteria of both, because of the stagnant economy. Indeed, the leadership's decision to undertake political reforms as prerequisite to economic modernization was synonymous with contract renegotiation. With the implementation of government restructuring, elections for the Congress of People's Deputies, and the centrifugal force of republican movements and resurgent nationalisms the
disintegration of the Soviet Union became irreversible. First with glasnost, then as the result of electoral reform and new representative institutions, the nature of Soviet governance had been irreversibly altered.

Ulam cites the 1989 elections for the Congress of People’s Deputies as "a veritable body blow to the role of the party, one from which it would not recover" (1992a, 437). Already damaged by the revelations of glasnost, its mission and claim to leadership now in question, "properly understood, the vote was one of nonconfidence in the Communist establishment" (Ulam 1992a, 437-438).

The sum total of the developments centered around the elections to the Congress of People’s Deputies spelled the end of the Communist Party’s domination of Soviet politics and of the entire one-party political culture. The party would remain an important element in Soviet politics, but it definitely ceased to be the decisive one (Ulam 1992a, 439).

The Communist party’s leading role was diminished as it became one social actor among many--albeit the most important--in a political process now characterized by opposition and pluralism. The nomenklatura’s future authority over political, social, and economic affairs was no longer a certainty; although their command-administrative system still functioned, it had been shaken and confused by social forces from below and Gorbachev at the top.

The paradigm of Soviet rule was fundamentally transformed by society’s inclusion and representation which came with government restructuring, at the expense of the political power of the nomenklatura and Communist party. What had started with glasnost as a privilege to participate in the public forum of Soviet policy-making, had become society’s formal franchise with the election of the
Congress of People's Deputies in March 1989. The legitimacy of Soviet rule based on economic performance, established under the terms of the post-Stalin social contract, was changed in part to a legitimacy based on political participation, legislative representation and, therewith, a stake in the system. The gain in political power by society at-large was compensated for by the nomenklatura's loss, which modified not only the political terms of their contract but the measure of socio-economic privilege which distinguished their ruling class. As the mechanism of control of the command-administrative economic structure, the nomenklatura was still a functioning apparatus; but as a ruling class its political powers were diminished, its social privileges were curtailed and were facing additional cut-backs. The nomenklatura was now like a cornered animal that would defend its territory against any further encroachments.

Changes in laws, entitlements or structures of governance are indicators of change to the social contract and, in the case of the Soviet Union, given its relationship, the political contract. Both agreements were renegotiated as a consequence of Gorbachev's economic policies and government restructuring, but without the participation of society or the nomenklatura. Social safety nets in the social contract were threatened by reduction or elimination--principally, guarantees of lifetime employment and entitlements--in exchange for a stake and participatory role in the political system that distributed those benefits. The nomenklatura's social privileges and its economic and political powers were simply being eroded. Newly emergent national forces confused the situation further; they

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sought negotiation of a new contract that was not Soviet but local in character.

By 1989, the essence of the post-Stalin social contract had been lost; it was no longer an agreement by society to submit to the political authority of a Soviet ruling elite in return for economic and social guarantees. Ironically, at-large society still expected the "state" to fulfill its contract expectations, although the identity of that "state" was becoming unclear. Moreover, the role of popular representation in government beyond that of opposition was uncertain; the Soviet paradigm only permitted government by the Communist party and its ruling elite. But, while a government of the people was certainly not a Soviet option, the establishment of representative institutions had become an effective constraint on the effectiveness of government; the new pluralism spelled its doom.

To speak of the political and social contracts against the backdrop of the March 1989 Congress of People's Deputies elections is to address flux. The nomenklatura was being pressured to accept less, to see its status and privileges reduced as a consequence of political reform, economic modernization, and the regime's attempt to honor an eroded social contract. Resistance by the ruling class to further change was certain. On the other hand, society at-large would accept delivery of no less than the social and economic privileges to which they had become accustomed and, as beneficiaries of Gorbachev's perestroika, had heightened expectations of further freedoms and greater opportunities. At the same time, Soviet society was splintering into Russian and non-Russian groups; contracts of association were being declared through the expression of multiple
national identities. The Soviet social contract was consequently and simultaneously being altered and abandoned, and the political contract as well, given the growing centrifugal tendency toward localism in Soviet elite politics. The unraveling of the Soviet Union was underway.
CHAPTER IV


Destructive Perestroika: Disintegration of the Soviet State

Ulam claims the nationalities question was the "the Achilles' heel of the Soviet system" (1992a, 475). The expression of resurgent nationalism, its demand for recognition and autonomy, was a critical factor in the fragmentation and collapse of "the prison house of nationalities." Ulam would agree, however, that it was not nationalism alone that caused the "unraveling" of the Soviet Union. There were other forces and catalysts which made ready the political, social and economic conditions for emerging social movements and reactionary elements which, together with nationalism, disintegrated the Soviet state.

Central to the demise of the Soviet multinational state was the changing role of the Communist party and the nature of authoritarian rule under Mikhail Gorbachev. Past Kremlin regimes had shown little hesitance in suppressing dangerous political dissent and nascent nationalisms to protect the Soviet state. The Gorbachev leadership was different; popular participation and expression—a stake in the system at the expense of the party "establishment"—were considered essential to economic modernization and the maintenance of Soviet rule. But, the regime's policy of glasnost, its agenda for economic reform, and the redistribution
of political power which occurred with implementation of the democratization strategy only weakened the fabric of the authoritarian system and made it vulnerable to splintering by an emerging pluralistic civil society and the re-emergence of traditional nationality conflicts. Without the relaxation of repression by Moscow and domination of Soviet politics by the Communist party, the "inmates" of the Soviet Union could have been kept longer in confinement, their nationalist expressions and aspirations for autonomy denied release. But that was not to be. However,

it would be naive to think that even the wisest and most far-sighted policy on that count would have avoided trouble. Still, when the trouble came, it would not have had to be as far-reaching and seemingly intractable had Gorbachev and his associates shown themselves more sensitive to the problems of the multinational state emerging from autocracy and repression. He had tried to democratize the Soviet political scene while retaining the dominant role of the Communist Party; he now proposed to reform the economy and yet somehow preserve its socialist character. Likewise, Gorbachev planned to turn the USSR into a real federation while preserving undiminished the powers of the Union. He would find himself in the position of the sorcerer's apprentice: unable to stop the very forces he had evoked (Ulam 1992a, 476).

But Gorbachev never, never gave up. Until he surrendered the Soviet presidency on December 25, 1991, he fought on ceaselessly for modernization, to renegotiate the eroded social contract, and to save the Union. In his own mind Gorbachev never doubted that perestroika would be successful. His vanity would neither permit that nor recognition of the growing unpopularity of his leadership. A sorcerer's apprentice, indeed, he concocted a brew of glasnost, democratization, and economic reform--intending a Soviet renewal, he brought revolution instead.
Contract Reformulation

In 1989, with electoral reform and new representative institutions, Soviet society was given a formal stake in the political order. The paradigm of Soviet governance was altered by this political empowerment and, with it, the terms of the political and social contracts. However, this shift of political power was not accompanied by a similar redistribution of social or economic privilege, which put both contracts out of balance individually and in relation to each other. With political, social, and economic rights not comparably matched the system had become inherently unstable and required re-balancing. Like water that seeks its own level, the contracts would either be reformulated by purposeful action or independently pursue their own state of equilibrium. Because the leadership had nothing to contribute on behalf of the state, the Soviet ruling class would obstinately defend its social and economic privileges against further infringement, and as the economy continued to stagnate, the momentum of the Soviet Union's unraveling--initiated by Gorbachev's glasnost and energized by democratization and emerging nationalisms--took over. But social contracting never ceased, the negotiation of state-society relations and obligations was always ongoing.

The state's conditions for internal order and security had also been modified, with a relaxation of authoritarian controls and lessened societal repression. The Gorbachev leadership believed economic modernization required political reform first--glasnost and democratization--which entailed tolerance of
within-system diversity and acceptance of a legitimate political opposition. Thus, political pluralism was sanctioned by the regime as necessary for its economic perestroika, but also as fair exchange for popular support of its leadership and reform policies from those within the party and outside. This policy of tolerance and openness carried additional heavy and unavoidable baggage: the expression of national, republican, and other social or anti-Soviet voices which challenged the established order had also to be felt and heard.

Due to a combination of factors—largely the result of glasnost, democratization, and the party-state phenomenon—criticism of Soviet rule had become vocal, radical, and public. Some, in particular the liberal Democratic Union, believed Gorbachev's reforms were too limited and instead supported the end of communism and its replacement by a multiparty democracy. Founded in 1988, this political movement went so far as to advocate "the overthrow of the CPSU and the socialist order it represented" (White 1991, 41). In social contract terms, this was tantamount to suggesting the current state-society relationship was invalid. Given the authoritarian character of Soviet party-state rule, there was no alternate position for the agenda of the Democratic Union—they sought to void the existing social contract and establish a new "state." In fact, any opposition to Soviet rule was also opposition to the party-state and the terms for its governance established in the Soviet contract.

Nationalist expressions would have a similar altering effect on the social contract, but for a different "society" seeking unique group recognition. However,
it is not necessarily clear that all those groups desiring unique recognition of their identity also wished to void the Soviet social contract; though some did. By and large, amidst the cacophony of the glasnost chorus, renegotiation of the Soviet social contract continued, albeit under stress and against challenges. It was still to the Soviet Union that the masses of the people looked; it was that state with whom they contracted. In good faith, Gorbachev continued to honor the social contract as best he could; but he changed the rules for its negotiation. After four years of his glasnost and political reforms, with the elections for the People's Congress in 1989 and the subcenter (republic, regional, and local levels) in early 1990, Soviet society was given a voice and acknowledged through formal representation in the social contracting process.

The degree to which the electoral process and the victories scored by movement groups (as well as independent candidates who represented popular causes and movements) energized social movement activity cannot be overstated. Groups realized the vulnerability of the elite, the potency of the electoral process, and the value of gaining representation. Elections proved to be an enormous resource to groups, and greatly stimulated social movement activity in the political arena (Sedaitis and Butterfield 1991, 6).

A profound change to the political landscape was made by Gorbachev's arousal of the Soviet worker. He needed their support and participation in his programs for modernization of the Soviet economy. To that end he had granted labor the opportunity for expression with glasnost and encouraged it to action with his policies for worker self-management and accountability. But the 1987 Law on State Enterprise, the 1988 Law on Cooperatives, and legislation
permitting individual and group private business activities were, in turn, assaults on the guarantees of the social contract. Full implementation of the Gorbachev reforms meant an end to social contract's guarantee of employment by the state and a reduction in its welfare package of social security and health care, price subsidies for certain consumer goods, income leveling, and housing. The fear of a reduced standard of living, the threat of unemployment and social dislocation with the introduction of a market economy, spurred the Soviet worker to action.

The representation of the Soviet workers' issues found a different forum than other social and political movements. As Sedaitis points out, worker interests were pursued "in the labor rather than the electoral arena"--apart from the formal political process (Sedaitis and Butterfield 1991, 19). The formation of unofficial labor groups as alternatives to official trade unions, the organization of strike committees, and culmination in the coal miners' strikes during the summer of 1989 signalled the determination of the Soviet worker to take charge of his own destiny and a role in the negotiation of the social contract. Representing a critical sector of the Soviet economy, the coal miners' strikes only made a bad economic situation worse. It also sent an important message to other Soviet workers on the value of labor activism in the negotiation process.

As Sedaitis points out, the issues prompting the strikes were not new but long known to the official local union organizations (Sedaitis and Butterfield 1991, 20). However, these discredited local trade unions were dominated by the nomenklatura; satisfying worker grievances came at their loss of wealth and status.
What Soviet labor came to recognize was its own power to influence and force attention upon the issues important to it. What is extremely important from the standpoint of social contracting is that labor wanted and expected to negotiate with the existing regime—the Soviet state—despite and amidst the other social and political turmoil of the 1989-1991 period.

While conservatives within the Communist party and other politically active groups attempted to court labor to support their own agendas, they were largely unsuccessful because of the economic and political diversity of Soviet worker interests. The workers movements were not as organized nor were they mobilized around coherent political issues. Those seeking political coalitions with labor mistakenly assumed a higher level of political interest in the Soviet worker than there actually was. Labor would be active, but concentrate on the pursuit of its own work- and life-related concerns (Sedaitis and Butterfield 1991, 13-15).

Succinctly, labor issues were more important as the focal point for organization than the politics of reform, but the worker was reacting to the effects of Gorbachev's perestroika—renegotiation of the social contract.

By mid-1989 the terms of the political contract had changed significantly. The nomenklatura had not been exempted from Gorbachev's glasnost policy or his democratization strategy. It was the target of his plan for opening the political process and his campaign for the Communist party's internal democratization, to replace its anti-perestroika element and revitalize its mission as society's vanguard. In this regard, the 1987 experimental soviet elections were "an important step in
dismantling the nomenklatura as a system and destroying the powers of the
nomenklatura as a group" (Hill and Lowenhardt 1991, 236). That event had not
been just a warning salvo across the bows but a deliberate shot at the
superstructure of the party-state bureaucracy; it had done damage and more
followed. Creation of the Congress of People's Deputies and a restructured
Supreme Soviet, to be constituted from the Congress' ranks, was not intended as
just a forum for popular expression, but

particularly as a check on the ministries and state committees and their
apparatus - bodies whose members were selected through nomenklatura,
and which had their own lists and appointments.

The extension of electoral choice undermined the party committees' prerogatives in hand-picking deputies to conform to norms of representation determined in the center and applied locally (Hill and Lowenhardt 1991, 237).

With the introduction of electoral competition the power of patronage
within the nomenklatura was significantly reduced. It was also clear that
placement on nomenklatura lists was no longer a guarantee of lifetime tenure and
privileged status. In this regard, party outcast Boris Yeltsin's election as a
Congress deputy by a Moscow electorate in 1989 was a critical event. Not only
did he defeat the candidate endorsed by the Communist party, but other
"established" nomenklatura were refused election, including Leningrad regional
party secretary and candidate Politburo member Yuri Solovyov, who suffered
defeat in an uncontested election (Hill and Lowenhardt 1991, 236; White 1991,
48). Subcenter elections, which began in late 1989 and continued through the
spring of 1990, provided further evidence of the threat presented to the
nomenklatura by a competitive politics. Now far better organized and prepared, the social groups which participated in the republic, regional, and local elections showed impressive gains, at the expense of the nomenklatura (Sedaitis and Butterfield 1991, 5-6). The Soviet ruling group was also threatened from within, by Gorbachev.

At the 1988 Nineteenth Party Conference Gorbachev had complained about "definite deformations in the party," that it was not democratic centralism but bureaucratic centralism which governed party matters. He criticized those in the party who thought they were too valuable to be replaced. He warned that the separation of party and state functions had been blurred, "and the party apparatus had become too closely involved in economic and administrative rather than properly political matters" (White 1991, 36). Gorbachev also made clear his desire that party offices normally covered by nomenklatura should be subject to competitive election. He said he wanted candidates in the electoral process who represented issues and gave the voter a choice. Rejection of the nomenklatura system for "the selection and allocation of cadres" was called for in the Conference resolution on political reform; more competitive electoral methods were to be a party priority. The Conference also adopted a resolution that would limit the term of any party office to two consecutive terms, after which one could only be returned after a five year absence (Hill and Lowenhardt 1991, 239-240).

The attack on the nomenklatura continued at the Twenty-Eighth Party Congress in July 1990 with the reintroduction of "the principle of systematic
turnover" for the membership of party committees, allowing that up to one-third of Central Committee members could be replaced between congresses. Added to the party rules in 1961 under Khrushchev and abandoned by Brezhnev, it was affirmed in a new version by the Congress and enforced by additional measures to ensure its effectiveness in limiting the term of office for party officials. Another change to Party rules, indicative of the shift of political power from the center and Gorbachev’s intention to remain on top, was the reorganization of the Politburo. Henceforth, the Politburo would be comprised of the Party General Secretary, Deputy General Secretary, the first secretaries of the republics, and others the Central Committee might choose to appoint. A new Politburo with twenty-four members was elected according to these new rules that July. Of that group, half had just become members of the Central Committee at the most recent Party Congress. In addition, the Secretariat of the Central Committee was reorganized, with Gorbachev as General Secretary but only four of its other eleven members having any prior experience at this level (White 1991, 21).

Changes in the party leadership and Central Committee were only a part of a much wider-ranging replacement of leading officials at all levels. All the fourteen republican party first secretaries, for instance, were replaced between 1986 and 1989, some of them on more than one occasion. . . . Some two-thirds of the secretaries of regional, territorial and republican party organizations, and about 70 per cent of those at district and city level, had been replaced by late 1988. There was a still more rapid rate of turnover in the Soviet state structure. No more than twenty-two of the 115 members of Council of Ministers elected in 1984 were still in their posts five years later, and only ten of these were nominated to the new Council of Ministers in June 1989; none of them survived into the Cabinet of Ministers, the body which replaced it in December 1990 (White 1991, 21-22).
An event which clearly signified the changing nature of Soviet politics was the Central Committee's decision, in February 1990, to accept Gorbachev's proposal that Articles Six and Seven of the Union Constitution should be redrafted to delete references the Party's "leading and guiding" role. This would mean abandonment of the Communist party's legal claim to be the one and only ruling party in Soviet political life. Gorbachev believed the Party would retain its leading role as society's political leader, but that its status as ruling party should be earned in open competition for popular support at the election polls. The social organizations, already recognized as legitimate opposition to the Communist party, were to be given the constitutional right to compete with the Party for government control.

The transfer of political power from the party-state to popular and representative institutions had actually started with glasnost--with the expression of an emerging civil society and unrestrained nationalisms. The privilege of social expression, combined with the dissemination of information previously denied, especially on the shortcomings of the Party, certainly began the shift--or redistribution--of political power. This transfer of political power was institutionalized with the beginning of electoral reform in 1987, by government restructuring in 1988, the election of the Congress of People's Deputies in 1989, and abandonment of the Party's guaranteed role in Soviet political life in 1990. In addition to the shift of power from the Communist party and its organizations to social organizations and elected offices of the federal government, considerable
initiative and power passed to the republic and local levels. Generally, political power was being shifted from the party-state to popular institutions, forced from the center--down and outward to the republics. Writing about the changing nature and distribution of Soviet political power in 1991, and its impact on the nomenklatura, Hill and Lowenhardt report:

Far more power is now in the hands of the state executive, checked more effectively than ever before . . . by representative institutions comprising deputies directly elected by the people, who thereby likewise enjoy enhanced influence, at the expense of the nomenklatura officials. . . . although the Communist Party has not conceded the principle of its involvement in leadership recruitment, as a system nomenklatura has been undermined by perestroika. Indeed, during 1990 there were reports of specific party committees formally abolishing their nomenklatura lists (1991, 240-241).

Economic Reform

Recording her thoughts in the last quarter of 1991, Schroeder believed the previous two years had been a turning point for the Soviet economy; a shift toward consumer goods production was evident and needed economic reforms had been approved at Union and republic levels (1991). But the Soviet economy was still in trouble. The first drop in gross national product since World War II was announced by the government in 1990. The budget deficit continued to grow even with a 4 percent reduction in state investment and 6 percent in defense spending. Exports had declined, an unfavorable balance of payments had gotten worse, and foreign debt grew by 38 percent. Domestic incomes, which had risen by 13 percent in 1989 and 17 percent in 1990, fuelled inflation even with price
increases because of goods unavailability and "large-scale hoarding." The government's supply-side economic strategy was failing, along with its efforts to slow down soaring wages (Schroeder 1991, 323-324). Evidence of growing consumer shortages was given in a Ministry of Internal Affairs report in 1990 that of 1,100 items surveyed, no more than 20 were available for sale on a regular basis (White 1991, 132).

Prime Minister Nikolai Ryzhkov had introduced a program for economic recovery to the Second People's Congress in December 1989. Intended to restore the Soviet economy to a stable footing by 1993, by March 1990 it was already determined "inadequate" and the Prime Minister was asked to head a government commission which should "prepare a more sweeping package of reform" (White 1991, 128). The commission's report, presented to the Supreme Soviet in May, called for "a gradual transition to a 'regulated' market in three stages up to 1995, incorporating legal changes, pricing and tax reforms, and a reduction in the scope of central planning" (White 1991, 128). Under this plan living standards would fall at the outset, but show improvement beginning in 1993. In a challenge to a sacred cow of the social contract, food subsidies, one of the first items scheduled to see a substantial price increase was bread, already a scarce commodity. Though no state action was taken on the report, and the discussion of economic proposals was to continue, the possibility of price increases "led to panic buying and the introduction, in several cities, of regulations prohibiting the sale of goods to non-residents (White 1991, 128). This offers an interesting paradox and socio-
political development: the authority of the center to act was still respected—hence the reactive panic buying—but new associations of identity, local and other than Soviet, were taking place in protection of the self-interest—local regulations discriminating against non-residents.

Shortages were epidemic and, while black marketeers were using this to their great advantage, an estimated 70 million of the Soviet population were considered at the poverty level by late 1990. Approximately half were from the Central Asian republics and Azerbaijan, with only 1 percent from the Baltic region. The public mood was generally apprehensive, with most opposition directed at fears of increased levels of unemployment, especially from workers in public services and the defense sector. As evidence of the Soviet state's good faith and continued social contracting a new employment law, to provide work training and placement, was adopted at the all-Union level in January 1991.

White reports the public attitude as "cautious and ambiguous" during the summer of 1990. A Moscow poll revealed that 58 percent favored transition to a Soviet market economy, with 56 percent believing it should begin "immediately." However, 69 percent felt that ordinary people—the majority—would find times harder, with 52 percent believing unemployment was "abnormal" or "tragic" and worried that movement to a market economy would be accompanied by increases in "inflation, crime and social chaos" (White 1991, 131).

Although most were in favor of private property in principle, especially for small shops and salons, an equally substantial majority (75 per cent) were against the private ownership of major industries. There was strong
opposition to cooperatives, widely seen as parasitic on the state sector and often criminal in their activities; and a particular concern, prompted to some extent by the experience of Eastern Europe, was that privatization should not lead to the enrichment of officials in a kind of "nomenklatura capitalism" (White 1991, 131-132).

Discussions over economic reform continued over the summer months of 1990 and led to the adoption of two programs later that year. The Shatalin "500-day plan," developed under Gorbachev's economic adviser Stanislav Shatalin and published in August 1990, proposed a 500-day transition to a market-based economy through the rapid implementation of price decontrols and private property rights. Gorbachev's original preference, this plan was adopted "in principle" by the Russian republic in September but rejected by the Congress of People's Deputies. Another group, led by Abel Aganbegyan, presented its plan for transition "to a market economy with the least social and economic costs" to the Supreme Soviet and republican parliaments in mid-September. Gorbachev was asked on September 17 by the Supreme Soviet to prepare a "unified program" from the Shatalin, Russian Republic, and Aganbegyan plans (White 1991, 129). What became known as the Presidential plan--"Basic Guidelines for Stabilization of the National Economy and Transition to a Market Economy"--was approved by the Congress of People's Deputies on October 19, 1990.

Although it lacks the explicit 500-day timetable of the Shatalin plan, the Presidential plan is nonetheless radical. While one can fault the Presidential plan for its generalizations and lack of a detailed schedule, it represents a major breakthrough in conceptualizing economic reform. The plan is especially striking when compared with the comprehensive program of economic reforms adopted in July 1987, which Soviet President Mikhail Gorbachev labeled "radical" and "revolutionary" at the time. If it were
implemented throughout the Soviet Union, the Presidential plan, as supplemented in early 1991 and along with a spate of new laws now on the books, would ultimately destroy the institutions of Stalinist central planning and create new ones for a market economy and with a substantial state sector (Schroeder 1991, 324).

Gorbachev's legal authority to promote reform was enhanced when the Supreme Soviet empowered him to implement economic policy by decree in September 1990--authority he was to retain until March 31, 1992. The Soviet Union's disintegration was obviously not part of the Congress' plan; continued renegotiation of the contract through economic reform was. Presidential decrees followed in September, October, and December ordering all current enterprise contracts to be honored; giving new wholesale and procurement prices to be used for 1991 contract negotiations; and declaring void any new inter-regional or inter-enterprise agreements that might interfere with existing arrangements (Schroeder 1991, 325). Industrial wholesale prices were raised on January 1, 1991, but some 40 percent of those items supposed to be affected were excluded. On April 2 retail prices were raised an average of 60 percent, but 40-45 percent of the items were permitted to be kept below the new ceilings. Any opportunity this might have presented to reduce the deficit through the elimination of state subsidies on food were mostly lost through cash payments (Schroeder 1991, 325-326). White reports that "increasingly, coupons were resorted to in order to ensure that whatever supplies were available went to those who needed them most" (1991, 133). The Soviet regime continued its efforts to honor the social contract.

That April Gorbachev also introduced an "Anti-Crisis Program" intended
to arrest further economic deterioration by speeding up the reform process. Among those things to be accomplished at a faster pace were the privatization of property, removal of price controls, and the lifting of state controls over enterprise firms. Approximately one month later another "Anti-Crisis Program" followed; but, unlike its predecessor, dates for implementation were specified and it was endorsed by leaders from 13 of the 15 Soviet republics (Schroeder 1991, 326). Even at this time, in April 1991, the Soviet Union’s political leadership still looked to the center for an economic answer--for an all-Union solution.

But concurrent with Gorbachev’s efforts to reform and revitalize the Union economy, the economic and political role of the republics had grown at the expense of the center. Their increase in economic power only brought further confusion to national economic policy, accompanying what had already become a critical challenge to Soviet rule from republican and nationalistic forces. Gorbachev’s reform efforts had not ceased to be of importance; economic reform led by Moscow at the union level still had wide support, but economic perestroika could not be implemented fast enough to match the political changes or arrest the process of unraveling which had already begun.

By the end of 1990, all the republics had issued declarations of 'sovereignty,' a concept that for them included control over their own economic affairs. These declarations differ considerably among republics and are general in nature, but most assert the primacy of republic laws over federal laws and claims of republic ownership of land and natural resources (Schroeder 1991, 326).

In response to the changing political environment, the Supreme Soviet
approved legislation early in 1990, to take effect in January 1991, covering the basis for relations between the republics and between the central government and the republics. The supremacy of Union laws over those of the republics was emphasized. A major section of the new law dealt with an "all-union market," prohibiting economic discrimination or disruption of inter-republic commercial activity by any of the Soviet republics. The republics could enter into treaties with other republics as well as the central government. The all-Union Council of Ministers was to implement procedures for this process. However, even before the new law "On the Fundamentals of Economic Relations Between the USSR and the Union and the Autonomous Republics" could take force, the republics began concluding economic agreements and treaties with each other, some going so far as to establish cooperative economic arrangements among a number of republics or even establish direct ties with foreign nations. The republics were also drafting or passing legislation which conflicted with federal law.

Although six years of perestroika have wrought considerable havoc on the economy, the real crisis in the Soviet Union in 1991 is one of governance. The uncertainty over who is in charge of what is generating confusion, fostering a sense of popular despair, and discouraging foreign aid and investment (Schroeder 1991, 327).

Political Reform and a New Soviet Politics

Gorbachev envisioned a new brand of Soviet politics which combined democratic opportunity with Communist party rule. He introduced new actors and competition to the political process with the implementation of electoral
reforms and government restructuring. His encouragement of the local soviets to reassert their authority over the bureaucracy gave notice, especially to the nomenklatura, of the redistribution of political power to popular institutions and, therewith, a change to the traditional rules of Soviet governance. Though the Communist party won an easy parliamentary majority in elections for the new Congress of People’s Deputies in March 1989, many of its preferred candidates saw defeat, a warning of growing challenges in the future to Communist party rule and leadership in open political competition. The nomenklatura was also advised against complacency by the election of those such as Andrei Sakharov and Boris Yeltsin, especially the latter, non-establishment figures who were adversaries of the nomenklatura’s Soviet order. Moreover, it was clear to conservative Party elements that dominating elections meant little to the radicals of the People’s Congress who seemed dedicated to redefining or undoing Communist party rule.

By and large, the newly elected People’s Congress was supportive of Gorbachev and his perestroika reforms. However, the party apparatus and the infrastructure of the command-administrative system remained virtually intact; it was still "the system" and poised to protect its status and rule. Those in control of the soviets and newly constituted Supreme Soviet could legislate but they could not effectively govern; the nomenklatura commanded the machinery–and they were an effective opposition and impediment to policy implementation. Vocal as they might be, the soviets and new parliamentarians were only pretenders to Soviet rule. In 1991, Di Leo evaluated the situation as follows:
The communist structure of power—conceived to make the plan work through the party or to make the party rule through the plan—still exists, like a huge factory which no longer receives work orders or has engineers, but still has the machinery, employees and administrative rules for every moment of the life of the factory. The local soviets, on the other hand, lack the executive power to enforce tax obligations, workers' protection, social services and supplies on the enterprises, which are the real bosses in the soviets' territories (1991, 439).

Soviet governance was gridlocked. The transition from a party-state rule dominated by the Communist party to a more democratic form required far more than electoral reform and the establishment of a representative institutions—it required a transfer of political power from the party apparatus. Secondly, the new representative institutions, rather than becoming deliberative bodies earnestly seeking real solutions to the nation's problems, instead became public forums for political expression, much of it in opposition to the Soviet state. The new Soviet pluralism was not characterized by the formation of political parties; the new social actors did not match the criteria. Outside a now divided Communist party, there were not coalitions of interests organized to win elections and run the government. Instead, social movements presented their issues, offered alternative ideas to Soviet governance, or simply were factions in opposition both to other groups and the state. Interestingly, it was glasnost that made the inability of the new representative institutions to govern most visible, through television and the mass media; everyone could see.
The Nationalities Question

Ulam points to the onset of the Azerbaijan-Armenian conflict over Nagorno-Karabakh as revealing the vulnerability of the Soviet system, particularly to liberal reform. Glasnost had reopened the long-closed door to the "prison house of nationalities" which had denied expression of national identities and suppressed traditional conflicts. "What happened in the Caucasus in February 1988 foreshadowed the unraveling of the pattern of authority that for seven decades had held the multinational state together (Ulam 1992b, 340). The Gorbachev regime would not resort to the exercise of coercive state power at a level necessary to suppress civil expression and preserve its authoritarian rule. It could not do so without ending its policy of glasnost and forsaking democratization and economic reform. It was unavoidable that the evil genie of nationalism was let out of the bottle, and the Gorbachev leadership miscalculated the latter's political power and the threat to Soviet governance it represented.

In April 1989 at least nineteen demonstrators in Tbilisi, Georgia were killed by the army with shovels and poison gas. Ulam suggests the Politburo was associated with the decision send in the army: "Orders for repression on that scale had to come from the center" (1992b, 342). He further submits that violent ethnic incidents "were becoming endemic over large areas of the Soviet Union" at that time, of which the tragic Tbilisi episode was the most publicized (1992b, 342). Olcott argues that the use of Soviet troops in Georgia was a warning by
conservative Party elements to all nationalists that challenges to its rule would not be tolerated. Importantly, at the time of the Georgian incident Gorbachev was out of the country and Yegor Ligachev was the ranking Politburo member (Olcott 1991, 339). That summer also saw clashes between Uzbeks and Meshketians in Uzbekistan, between Kazakhs and migrant Caucasian workers in the Kazakh republic, and by local Abkhazians in Georgia seeking autonomy. This nationalist activity strengthened the hand of the party's law-and order proponents who insisted they could better protect the public interest.

In September 1989 the Communist party finally convened a long-awaited special meeting on nationality problems at which the party seemed united in its impotence. Gorbachev offered the increasingly rebellious republics only vague promises of an unspecified form of political sovereignty and warned that these new powers would have to be exercised to fully protect the rights of national minorities (Olcott 1991, 341)

In December the Lithuanian Communist party broke from the Soviet party. In his effort to save the union and Communist party Gorbachev made trips to Lithuania that month and in January to meet with Communist party leader and Sejm chairman Algirdas Brazauskas. In the parliamentary elections which followed shortly thereafter, Sajudis—a mass organization favoring Lithuanian independence—won a governing majority. In March, Lithuania declared its independence from the Soviet Union. Gorbachev countered, insisting Lithuanian independence could only be achieved through "lawful" means—by following the procedures set forth by the Supreme Soviet that April for secession—and this was not subject to negotiation. A brief campaign of Soviet intimidation was initiated,
with tank "drills" in Vilnius, warnings that order would be restored, and beatings of Lithuanian nationals refusing Soviet military induction. Unable to halt the momentum of Lithuanian nationalism or bring down the government, and "mindful of international public opinion," an impatient Gorbachev imposed an economic blockade. Estonia and Latvia, also newly independent, rallied to the Lithuanian cause to arrange an economic union. Georgia provided Lithuania with medicine, Moscow and Leningrad promised trade, and black market gasoline was provided by the Byelorussians and Ukrainians (Olcott 1991, 341-342). The Baltics were effectively gone, even though the Lithuanians were shortly forced to back down, abandoning Soviet governance and its social contract to reassert their contracts of association and society which were suspended in the opening days of the Second World War. By far, however, the larger part of the Soviet Union remained intact--and two-thirds of that was "Mother Russia."

Boris Yeltsin won control of the new Russian parliament in May 1990, against the determined opposition of President Gorbachev, the party apparatus, and the Russian party leadership. The Russian republic declared its sovereignty on June 12, 1990, making good Boris Yeltsin's campaign promise to free Russia from the all-Union government. With the appearance of this major threat to Soviet unity, Gorbachev suddenly became an advocate of republic sovereignty.

The Soviet president called for a new union treaty, which would delineate the powers of the central government and the republics. Having helped insulate the republic party leaders from their outspoken nationalist opponents, he wanted to retain some power over how they would exercise their increased new authority (Olcott 1991, 342).
Gorbachev followed on with negotiations, but the initiative was no longer his. Increasingly, he was reacting to events unfavorable to his leadership and the Union. Negotiations with the independence-minded Baltics failed to start. Gorbachev was coming under increasing pressure from party conservatives to take action against the national movements. At the Twenty-Eighth Communist Party Congress in July, Yeltsin and several other opposition leaders left the Party. The economy had stalled and Gorbachev was caught between advocating all-Union or republic remedies; economic reform had now become so urgent that whether the solution was local or federal did not matter if it could save the Union. The republics showed little enthusiasm for a November draft of a new Union treaty. In an appeasement to the hardliners, Gorbachev named Boris Pugo, an ex-KGB official, to the Ministry of Internal Affairs. Eduard Shevardnadze, an early and active perestroika supporter, resigned as Minister of Foreign Affairs in December.

Despite all his troubles and objections to his new hardline leanings, the People's Congress continued to support Gorbachev's efforts to save the Union even after fourteen Lithuanian civilians were killed by Soviet special forces in Vilnius in January 1991 (Olcott 1991, 343). Russian President Yeltsin demanded Gorbachev's resignation in February, but in April signed an agreement with the Soviet president to work for a new union treaty between sovereign republics. A new Union treaty, which preserved the primacy of the central government over the republics was published in June. Gorbachev planned for its signing in August, but other events overtook him--the August 19 coup attempt.
Disintegration of the USSR

At the Nineteenth Party Conference in June 1988 Gorbachev declared the task before the Communist party was to "make irreversible the revolutionary perestroika" under its leadership. Indeed, by 1989 the process of change initiated by Gorbachev's perestroika was irreversible; but it had become a force of its own, self-sustaining and unstoppable. With the elections for the Congress of People's Deputies in March the die was cast; the fate of the Soviet Union was to be disintegration, and henceforth the process of its unraveling would a dominant force. The process of democratization would continue, both within the government and the party, and a new "socialist pluralism" would be referred to. But it would entail opposition, divisiveness and fragmentation, not cooperation in political problem-solving or the formation of a coalition to support the implementation economic reform.

By 1990 and early 1991, a realignment had taken place in Soviet politics and many former within-system reformers were espousing views no different from the most radical pronouncements of the former dissidents. The dividing line between the views of the latter and the communists or former communists who constitute a majority of the leading figures in the political opposition in Russia became an exceedingly fine one. Such leaders as Gavril Popov (the Chairman of the Moscow City Soviet), Anatoly Sobchak (Chairman of the Leningrad City Soviet), Yuri Afanasyev (the Director of the Moscow State Historical Archival Institute) and, of course the former full-time party functionary, Boris Yeltsin, all of whom resigned from the Communist Party as recently as 1990, had by that year made public-pronouncements which had more in common with the views of former dissidents . . . than with the ideology to which they publicly subscribed in the past (Brown 1992, 3-4).

The summer of 1991 found the authority of the Soviet state contested by
its republics; the institutions of the party-run state bureaucracy crippled; 
Communism, the party, and its leadership widely discredited and challenged; and 
the national economy perilously close to collapse as reform moved too slowly. 
Gorbachev had also violated the political contract with those upon whom he 
relied to sustain his authoritarian rule—the nomenklatura. This group is 
represented by those who struck out against Gorbachev in the Kremlin coup of 
August 1991. Having the most to lose with the disintegration of Soviet rule—those 
in control of the Party, the KGB, and the military establishment—abandoned 
Gorbachev in a vain attempt to bring back the Soviet past. But they failed, both 
to replace Gorbachev or to halt the momentum of the Union's fragmentation. 
The failed revolt only verified the process of Soviet unraveling and hastened its 
pace. Even Gorbachev's return to Moscow could not undo what his policies and 
actions had already accomplished; whatever had before been the formula for 
Soviet rule was undone and could not be restored. Gorbachev dismissed the 
Council of Ministers on August 23 for "collusion." On August 24 he resigned as 
General Secretary of the Communist party and declared restrictions on the Party's 
activities. Within a week's time he called upon the Central Committee to dissolve 
itself. But Gorbachev was unable to regain political support for his leadership. 
After six years of two steps forward and one back, of outmaneuvering his 
conservative colleagues then appealing for their support, he had no where to turn 
for support of his continued rule. 

The failure of the reactionary coup, and Boris Yeltsin's success, also made
clear the Kremlin's inability to offer any viable Soviet alternative to Gorbachev's leadership. The center's political elite was no longer in charge, its ability to rule lost, eroded first by Gorbachev's policy of political decentralization, the deliberate transfer of power from the Soviet ruling class, and then drawn away by the pulling of centrifugal forces. The pro-independence forces held the balance of power in a collapsing Soviet Union. In the days following the August 21 coup attempt all the non-Russian republics proclaimed their independence. The paradigm for rule had been changed; it was no longer a Soviet one.

Until the failed coup in August, Gorbachev believed that economic recovery - based on preserving the Soviet Union as an integrated unit - would cause the nationalist movements to lose their political legitimacy. Thus the basic tension between economic and political reforms escaped Gorbachev's attentions; his decision to open the political process brought to power nationalists who opposed a united country. Given this flaw in his thinking, Gorbachev consistently stumbled over nationality relations by offering the republics too little, too late (Olcott 1991, 338).

In no small measure because of his simultaneous commitment to reform, fulfilling the social contract, and futile struggle to preserve the Soviet federation, Gorbachev's political influence was greatly diminished by the "very [social] forces he had evoked." While he managed to retain the Soviet Presidency after the coup attempt, it was a meager political survival. Challenges to his leadership and a waning popularity continued unabated. He had not emerged victorious over the defeated nomenklatura reactionaries with a renewed mandate for his leadership, nor was he regarded the champion of Soviet democratization or socio-economic reform. Victory belonged instead to the Russian and non-Russian people, the
nationalist movement, and Boris Yeltsin. The Soviet Union's disintegration would continue its course, and Gorbachev would become a victim of his own reforms. Social contracting continued but its Soviet connection was altered: ownership in Moscow transferred from the Kremlin to the Russian White House and Boris Yeltsin; in the other sub-union areas the linkage was broken, but more slowly.

On December 21, 1991 the new Commonwealth of Independent States was created by the declaration of eleven Soviet republics, putting a formal end to the USSR. This proclamation was reluctantly accepted by Gorbachev, who then resigned as President on December 25, the final leader of the Soviet Union. Social contracting would continue, but with new state-society relationships.
CHAPTER V

CONCLUSION

End of the Soviet Paradigm

The formula for Soviet rule was described by the separate arrangements of its leadership with the nomenklatura and society at-large. Together, the political contract of the nomenklatura and the at-large social contract defined the terms and conditions for the institutionalization and legitimacy of Soviet governance. However, rather than complementary, the contracts stood in contradiction and their relationship was one of inherent conflict. Only its authoritarian rule and sustained economic abundance permitted the party-state to support both contracts and the Soviet leadership to put off their renegotiation. But the clash was inevitable.

Due to the exclusive and preferential nature of the nomenklatura's political contract, which established it as both the ruling group and primary beneficiary of the socio-economic order it was charged to administer, this Soviet governing arrangement was fatally flawed. The nomenklatura "possessed" the very system from which it derived elite class distinction and economic privilege. Resistance to reforms which threatened its special social and economic status was virtually guaranteed. The nomenklatura's decided status quo orientation also put it at
loggerheads with revision of the social contract, and predisposed it against any additional social or economic grants of power to society at-large which could only be given at the expense of its political contract. Finally, any alteration of its arrangement with the leadership which established the nomenklatura as the Soviet ruling group, by breaking its monopoly of political power, would transform the paradigm for Soviet rule and void that formula of governance.

The political community defined by the Soviet social and political contracts could only be reformed at risk to its authoritarian structure. Preservation of Soviet rule depended upon maintenance of the separate and unequal political, social, and economic arrangements of society and the nomenklatura with the leadership. Alteration of those contracts, as a consequence of reform, could transform the very nature of the Soviet political order. Never understanding this paradox of the Soviet order and governance, Gorbachev and his supporters launched a campaign of economic and political reform. Policies which permitted greater social mobility and the opportunity for political expression, combined with a situation of economic scarcity, brought both contracts into open conflict, forced their further reformulation, and finally altered the formula which had described Soviet rule. According to Leningrad Mayor Anatoly Sobchak, reflecting on the failure of perestroika following the August 1991 coup attempt: "Our great mistake during those six years had been to try to reform what was unreformable" (Ulam 1992a, 491).

To preside over the Soviet Union's demise was clearly not Gorbachev's
intention. The focus of his attention and energies was to remedy the USSR's deteriorating condition. He was committed to leading a strong and prosperous Soviet Union into the Twenty-First Century. Of that, one can be certain. He harbored no designs for a massive Soviet political and economic reformation. Gorbachev was the leader, a loyal soldier, and convinced advocate of the Soviet order. Never did he aspire to replace it, only to correct its errors and historic "deformations"—the legacy of Stalinism. He intended only the implementation of such economic and political policies as the Soviet structure could absorb without its being fundamentally altered—not to bring its revolution.

Use of the Social Contract Construct in the Soviet Context

The social contract is a construct to describe the state-society relationship—the terms and conditions of governance which define a political community. A social contract represents a willful acceptance and submission to a societal standard for behavior and expectations, to specific conditions which define the institution of governance. Neither the conditions nor its associated institutional arrangements are immutable. The social contract represents a process. Just as a state-society relationship is ongoing, so is its contracting, or negotiation, as a response to, and contingent upon, changing social values and conditions. The process of social contracting implies at least two parties: for the representation and negotiation of interests, consent to the bargain, and performance according to the terms of the agreement. The precise nature of representation, bargaining,
and consent within the contracting process are determined by the characteristics of the political community.

Because of its authoritarian character, the Soviet social contract was qualitatively different than the liberal form. It lacked the fundamental contract of association, the willing and voluntary consent by a group of individuals to be an organized society—at their own initiation—and submit to common governance. Instead, the Soviet peoples were corralled and "glued" by the jurisdiction of an authoritarian state, by its capacity for civil repression and exercise of coercive power. The Soviet variant of the social contract also lacked popular institutions for expression of the general will; this representative deficiency supplanted by the Communist party and its leadership, which claimed its role as society's vanguard and self-appointed proxy for the interests of the Soviet people. Ideological formulations were substituted for society's expression of the general will, consent of the governed by the mass's political submission and acceptance of the state's socio-economic performance as justification for Communist party rule. The role of the Party was manifested by the party-state phenomenon, of government dominated by, and an instrument of, the Communist party. Not a government of or by "the people," the Soviet Union was administered by an elite ruling class—the nomenklatura. This special social group possessed a separate agreement with the Soviet leadership defining its ruling status and privilege—a political contract. Authoritarian rule over the expansive Soviet territory with its multiple nationalities was made possible by this arrangement, which ensured Moscow's
pervasive societal control through those loyal to the regime. Together, the Soviet social and political contracts defined the institutionalization of Soviet governance. The preservation of Soviet rule depended upon their maintenance.

A fundamental assumption of the liberal construct is that a single social contract describes entirely the state-society relationship. That is implicit in the democratic concepts of political equality, majority rule, and civil rights—the principle of the "rule of law" depends upon it. A political community depicted by multiple contracts, as in the Soviet case, indicates different and unequal social norms and political arrangements, the existence of multiple social groups with the preferential treatment of at least one—an open invitation to conflict. The existence of concurrent contracts, which together defined state-society relations and the institution of governance, was a flaw in the nature of Soviet rule. This became apparent with the abandonment of terror and coercion by the post-Stalin regimes in exchange for society's continued compliance and acceptance of a new political legitimacy based on the state's socio-economic performance. This required the leadership to honor separate contracts to sustain its legitimacy: one with society at-large and another with the nomenklatura, upon whom it relied to direct the economy, administer state services, and provide governance. But, as a consequence of its control over the Soviet government and the economy and to protect its privilege, the nomenklatura restricted the capacity of the state to fulfill its socio-economic obligations under the social contract. The privilege of the nomenklatura was given and maintained at the expense of, in conflict with and in
contradiction to, the contract of society. Negotiation of both contracts was simultaneous, but their relationship was mutually restraining and not symbiotic: concessions or grants could not be made to one without taking from the other. By the terms of its political contract, the nomenklatura already "possessed" and operated the system which governed the distribution of Soviet economic wealth and power to its own aggrandizement; alterations made by the leadership which favored the social contract could come only at its expense. The nomenklatura's dependence on, and domination of, the existing Soviet political and economic order ensured its resistance to system reform and made contract reformulation a zero-sum game.

Soviet Governance and Legitimacy

The criteria which established the legitimacy of Soviet governance were described in the social and political contracts. In the social contract the legitimacy of Soviet rule was based on the state's socio-economic performance as well as the traditional functions of internal order and national security. This included guaranteed employment by the state and the basic goods package of wage leveling, price subsidies, housing, medical and social security benefits. The terms for legitimacy in the political contract required state rule by the nomenklatura and its control of the command-administrative economy. The nomenklatura were guaranteed lifetime tenure, with economic privileges and social benefits beyond those offered in the social contract.
The social contract Gorbachev received in 1985 was out of date, not reflective of political, social, and economic changes which had taken place since the bargain was first negotiated in the immediate post-Stalin years. It did not adequately represent the new composition and needs of the 1980s Soviet working class, one more highly skilled and educated than the one to which the social contract was first directed in the 1950s. Especially, it did not show appreciation for the important role the new Soviet worker would be required to play in the economy’s modernization. Renegotiation of the social contract and economic reform were thus linked. Gorbachev was presented with a dilemma: honoring the conditions of the social contract was necessary to preserve Soviet legitimacy, but at the same time it was a constraint on his and the state’s flexibility to act.

However badly it performed and required modernization, maintenance of the inefficient command economy was necessary for the state to support the social contract’s socio-economic guarantees, especially of full employment and subsidies for consumer goods and services. Moreover, the nomenklatura, as the instrument of control over the state economy, would resist any reforms which might affect its privileged status and power. Most important, however, the maintenance of Soviet rule required preserving the fixed distribution of social, political, and economic power described by the leadership’s arrangement with the nomenklatura. A grant of greater political power in the social contract, even though required to accommodate change and permit modernization, was a contradiction to the terms of Soviet governance and disallowed by the terms the political contract. It was
not possible to reform the Soviet system and uphold both contracts.

However, all governments and their leaders are judged by the performance of their national economies. It was no different for Mikhail Gorbachev; to restore health to the Soviet economy was an implicit part of his covenant to rule. This was well understood by Gorbachev who began his leadership by attempting to jump-start the stagnant Soviet economy through state investment, incentives for small-scale private businesses, and bureaucratic restructuring. Judging by the limited nature of organizational, administrative, and personnel shuffling, it was not his intention in 1985 to transform the system nor stray from an economic agenda of within-system objectives. But he also knew that satisfactory performance over the longer term required the Soviet economy’s modernization, not just continued state intervention and stimulation. Restoring a healthy economy was synonymous with fulfilling the social contract, and Gorbachev realized that the success of any economic reform depended upon society’s willing participation and vested interest.

Believing the worsening economic situation in 1985 posed a threat to the party-state’s ability to meet the terms of the social contract—and thus its claim to leadership and justification to rule—Gorbachev began at once his effort to satisfy the social contract. He sought to do this in two ways: by getting the economy moving and simultaneously reducing the state’s level of obligation under the contract. To gain acceptance of a lesser state commitment, but also to encourage an environment conducive to modernization, Gorbachev gave society in exchange a stake in the system—a political role and economic opportunities.
Reformulation of the social contract to establish new political and economic opportunities came at the nomenklatura's expense. This was typical of Gorbachev's reform policies: the rights and privileges given to the nomenklatura in its political contract were under constant challenge and steadily diminished to compensate for the gains of the social contract. It was not because Gorbachev did not recognize the importance of the nomenklatura to Soviet rule; but he had nowhere else to turn--there was not another reserve of Soviet wealth and power which he might redistribute. Only the Soviet ruling class possessed the economic wealth and political power necessary to provide society at-large with the incentive to participate in Soviet modernization. Moreover, foremost to Gorbachev was the state of the country, and he would sacrifice to better its condition--even the status and privileges of the nomenklatura. For the nomenklatura, who "possessed" the system under the terms of its political contract, the requirements of Gorbachev's reforms made the relationship of the contracts zero-sum. It was upon the back of the nomenklatura that the price of Soviet reform would be borne. In the beginning, Gorbachev expected the nomenklatura would comply and sacrifice to the requirements of Soviet reform.

There may have been disagreement over strategy and implementation in 1985, but there was little dispute within the Soviet leadership that the stalled economy required corrective action. The failure of Gorbachev's economic policy in the 1985-1987 period was not due to their disagreement but to the opposition of the Soviet system as it was institutionalized. The resistance to reform shown
by the party-state apparatus demonstrated conclusively that any program for economic stimulus or reform could not be successful without the support and cooperation of the nomenklatura. Sole proprietor of the command-administrative economy and literally institutionalized as its mechanism of control, the ruling group obstructed implementation of Gorbachev's economic policies. The nomenklatura refused to comply with reform and sacrifice for the general good. Gorbachev was rebuffed and his authority to rule openly contested by the administrators of the party-state apparatus.

By 1987 Gorbachev recognized the necessity for political reform before economic modernization could occur. His policies in the 1987-1989 period saw an assault on the recalcitrant nomenklatura linked his with strategies for economic and political reform. For economic reform to succeed it was clear the nomenklatura would have to be challenged head-on, both as a privileged social class and as the mechanism of the Party apparatus for personnel recruitment and appointment; its political and economic dominance of the Soviet system would have to be broken. Thus, popular participation in the Soviet political system was encouraged with the introduction of real competition to the electoral process and with the assertion of popular controls over the party apparatus through existing and new representative institutions of government. Private business initiatives were encouraged with new economic legislation.

Gorbachev's economic perestroika and democratization policies began the conversion from a Soviet legitimacy heavily dependent on socio-economic criteria
to one also combining representative institutions and private economic incentive. However, economic reform was long overdue and could not be implemented fast enough to avoid being overtaken by those political forces encouraged by glasnost and democratization. Social stability requires political reform be coupled and balanced with economic opportunity. Social contracting, which is the process for balancing political and economic change and expectations, could not keep pace in the Soviet Union.

Glasnost and democratization, intended to support economic reform and the campaign against the nomenklatura, unleashed political forces which overtook the reform effort and began the Soviet Union's unraveling. Though Gorbachev did not intend the result, by mid-1989 the destiny of the Soviet state was being influenced by those urging its destruction. The policy of glasnost had begun the transformation of the paradigm for Soviet rule, and the establishment of popular institutions of government made this process irreversible. Reform of the Soviet political system and its overthrow were synonymous. Implementation of the democratization strategy voided the exclusive arrangement for nomenklatura governance in the political contract and invited an emergent civil society to share and compete with the ruling group for political power, spelling the end to Soviet rule. Gorbachev transferred "ownership" of the government by modifying its institutional form and the qualifications for participation and membership. The political and social contracts which empowered the authoritarian state's rein of control over a multinational society were rewritten. By the end of 1991, with the
collapse of the center, they would be voided as "Soviet" and transferred to the Commonwealth of Independent States.

The Nomenklatura and the Soviet System’s Resistance to Reform

In identifying the nomenklatura as the primary impediment to change and obstacle to economic modernization, Gorbachev had really identified the essence of the Soviet authoritarian system and its Establishment as the enemy of Soviet reform. He certainly proceeded as if that were the case: his policy of glasnost and strategies for economic perestroika and democratization undermined the very structures and assumptions of Soviet governance. Glasnost exposed the special privileges and corruption of the ruling class; economic reform threatened to alter the institutional setting—the command-administrative mechanism—through which the ruling group exercised power; and democratization permitted their removal, replacement, and the transfer of authoritative power from party-state dominated to popular institutions of governance. Gorbachev thus reformulated the political clauses of the political and social contracts and, with them, the paradigm of Soviet governance.

All this said, it was not Gorbachev’s desire to destroy or abandon the nomenklatura but rather to revitalize it, to make it more organizationally effective and professional. He certainly had no inclination to relinquish the party’s "leading role" in society. In this regard, retention of the party apparatus was required. What he did not foresee was that introduction of political expression and the
privilege of choice at the foundation of the authoritarian structure would so alter its constitution. Gorbachev knew the distribution of political power in the Soviet system would have to change to realize economic modernization and that such a redistribution could only be accomplished by extending the privilege of choice down and outward in the hierarchical pyramid, simultaneously relieving the nomenklatura of a measure of its power and privilege. He did not anticipate losing control of the political process, not realizing that the process of political reform he initiated would far outpace the redistribution of social and economic power by perestroika. A basic miscalculation of system dynamics: the pace of economic and social reform could not accommodate the political change taking place, making instability and conflict the only possible result.

Gorbachev was correct in identifying the linkage between the institution of political power and the economy; in fact, it was symbiotic. The authoritarian nature of the Soviet Union was defined by the institution of the party-state, the administration and control of both the state and economy accomplished through the party apparatus—the nomenklatura. Neither the political system nor the economy could be changed without also affecting the other. The Soviet dilemma was that both were resistant to change; reform could only make them something different than they were. The introduction of "democratization" to Soviet authoritarianism meant its transformation to another political form, with the introduction of a new pluralism which undermined the control of its ruling class and system of privilege.
Glasnost and Democratization

Gorbachev was committed to glasnost, not as an end but as a vehicle to support his strategy for Soviet perestroika. It exposed the flaws of the system, its enemies and its deformations, as Gorbachev intended. But it did much more to discredit the Communist party and those charged with running the Soviet state—the nomenklatura. It was a direct attack on them, exposing their privilege, corruption, and unwillingness to execute changes required for the common good. It also allowed a long-repressed society to rise up and express its dissatisfaction. Glasnost brought to Soviet politics actors who were previously denied access. Thus, the Communist party’s claim to society’s leadership as sole representative of the people’s true will was sacrificed for Gorbachev’s democratization strategy. A change to the Soviet paradigm of rule as the result of this redistribution of political power was unavoidable.

The social contract required a reformulation granting greater political, social, and economic power to society at-large—a stake in the system—if modernization was to be successful and to sustain the legitimacy of Soviet rule. However, this meant the violation of the nomenklatura’s political contract and voiding the paradigm for Soviet governance—and the nomenklatura proved it could resist and obstruct change even if it destroyed the Soviet order.

Glasnost and the reforms of economic perestroika and democratization were all linked to social contract negotiation. Gorbachev acknowledged that
relationship but failed to recognize the linkage between the political and social contracts which together defined the parameters for Soviet governance and Communist party rule. By his actions, intended and not, Gorbachev’s policies began the exchange for legitimacy based on state economic performance to one based on representation and consent by the governed. This occurred with the transfer of political power from party-state to representative institutions of government. But, while the masses were given a stake in the political system, economic power was not redistributed in a similar or matching fashion and the condition of balance between the political and social contracts was lost. In addition, balance was lost within the contracts—society was given to rising expectations and the nomenklatura forced to defend its status and privileges.

Gorbachev established the institutions of government fundamental to a democratic society—a popularly elected parliament, an executive office to enforce its laws, and the basis for a judicial system independent of the political process. But, by themselves, the existence of organizational forms are not sufficient. Tolerance of diversity, respect for the rule of law, acceptance of the minority’s voice and the majority’s will—democracy is a system of values and learned behavior, it cannot be legislated or decreed. The bridge from an authoritarian to democratic form is not that easily accomplished nor is it what Gorbachev intended—he wanted and expected to combine elements of the democratic process with one-party rule and continued political leadership by the Communist party.
The Unraveling of the Soviet Union

Despite the eruption of nationalism across the countryside the structures of Soviet power remained essentially unchanged. Those in charge of state ministries and committees stood firm in their resolve to continue their control of the economy and the distribution of its wealth. Thus, even though the authority of nationalist and independence forces was made legitimate by their popular support, those forces neither replaced the nomenklatura nor did they take over control of the command-administrative system. Moreover, for those persons to whom parochial national and ethnic identities held a higher value than a Soviet Union, there was more interest in dismantling the current structure of power in favor of local solutions. The dilemma for Soviet reform was that the Party could be stripped of its political power by new democratic institutions, but unless it voluntarily relinquished its administrative control over the system no change was possible. The paradox for Soviet reform: the Party could be relieved of its political power but in so doing the Soviet system was then doomed by the release of centrifugal societal forces which sought escape and destruction of the old order. The Soviet Union could only be preserved with the nomenklatura kept in their status of privilege and society kept in its state of submission; the nomenklatura could not be removed and its function assumed by anyone else if the Soviet Union were to survive. What happened with the unraveling of the political center, as one analyst observed, was the appearance of new regional arrangements where
"the men of the economic oligarchies [the nomenklatura] . . . started negotiating the old management of power with the new political forces and in the first place with the new presidents of the republican soviets" (Di Leo 1991, 445). This was not collusion by the nomenklatura with nationalist forces but a response to challenge; to protect the threat to its privilege and status the nomenklatura had also reacted in opposition to the center. Thus, Gorbachev was left facing the opposition of both the nomenklatura and a non-conciliatory national component.

Observations on the Use of the Social Contract as an Analytic Model

This examination has been concerned with the sources of social conflict and the nature of the state-society relationship in the post-Stalin Soviet Union, specifically during the Gorbachev years and the period of "unraveling." A particular focus of this analysis has been to establish the causes for the decline of Soviet legitimacy leading up to the events of December 1991. Because of its suitability in describing the state-society relationship and addressing the phenomenon of legitimacy, the social contract was selected as the conceptual model for analysis. It is not suggested that the conclusions drawn about the Soviet Union in this investigation may be generally applied to other states; the object of this study was only the Soviet Union and only further research can determine whether its case was unique. However, the experience of this inquiry does suggest the social contract to be an attractive analytical model for other comparative studies which seek to describe the state-society relations and
determine the legitimacy of those arrangements.

The social contract describes the terms and conditions of the state-society relationship, the expectations and obligations of the state and society. The legitimacy of government is determined, in part, by the state's performance in fulfilling its obligations under the social contract. To maintain its legitimacy the state must satisfy the existing social contract and anticipate changing circumstances and expectations which require revision of its terms and conditions. Thus, the validity of the social contract requires its ongoing reformulation to meet changing social conditions and expectations, and the legitimacy of the state depends on its meeting its obligations under a valid social contract. The social contract model therefore suggests that state legitimacy is a function of acceptable state performance against the statement of society's expectations in a valid social contract. It is acknowledged that in a society dominated by secular or theocratic doctrine, and where the state controls the forces of coercion, use of the social contract model and its determination of state legitimacy may be irrelevant. However, that hypothesis could not be tested in the context of the Soviet Union where the role of ideology as a legitimizing function of state had waned with the growing importance of socio-economic performance. Regardless, it is the conclusion of this analysis that societal expectations exist, whether they are the result of popular referendum, secular or religious doctrine does not matter, and they establish an obligation for that authority constituted as "state" and subject it to a test of legitimacy based on performance.
In the final analysis, the function of the social contract is to describe the state-society relationship: the values, processes, and institutions of social governance. That framework exists whatever the governmental type and however that political form came into being. This is only excepted by the totalitarian condition where society is without volition. To say the social contract must represent a democratic, liberal strain, is to bias the model and limit its utility simply for its frequency of use in describing that form, because it developed historically as an explanatory device along with the evolution of western political thought. Moreover, it is forgetting its heritage, its role in defending secular authoritarianism against divine. Very simply, it has broader applicability than just to describe democratic forms. To those contrary, it must be asked: When, and under what conditions, if only democratic forms may be described by the social contract, does that structure gain facility because a democratic form has suddenly been transformed from something else? By what means do we note and measure that change?

An extremely important concept in the theory of the social contract is the contract of association, that agreement by a group of individuals to be associated in an organized community for the common good. Hypothetically, the contract of association occurs prior to, and is a requirement of, the liberal social contract. It assumes a willing and voluntary consent by those to be governed to form a political community. Barker argues that the social contract is the collection of agreements "between each and every member" of a community of individuals to
be organized into a community "cohering in virtue of a common social will . . . ready to assume the burden of government in agreement with that will . . . ." (Barker 1960, xii). He stipulates further that "the State, in the sense of a political community . . . is based on a social contract". A contract of government, between ruler and subject has "as a prior condition, the theory of a contract of society" (Barker 1960, xii). Implicit are the concepts of consent of the governed and limited government in the contracts of society and government, respectively.

The contract of association—Barker's "contract of society"—is the "glue" of the liberal social contract. The durability of a social contract, as measured by the stability of its political order, is a function of its ability to accommodate change and actively redress imbalances in the distribution of political, social, and economic power—and retain, intact, its contract of association. Democratic forms are strengthened by the institution of popular "choice" and majority rule in this regard, mechanisms for renewal and self-regulation which authoritarian forms do not have. Absent the liberal contract of association, the "glue" of an authoritarian society is the coercive power of the state. Choice of group association and the opportunity for political expression are its solvents. The bond of an authoritarian society may be strengthened by socio-economic guarantees and a lesser level of societal repression by the state, as in the Soviet case, in exchange for society's submission to authoritarian rule. Maintenance of such an arrangement requires sustained economic abundance and avoidance of popular political reforms. In this regard, the vulnerability of the Soviet Union to glasnost, democratization, re-
emergent nationalisms, and a nascent civil society are especially noted.

The social contract's western heritage should not be considered to restrict its utility as a model to democratic forms; its effectiveness in promoting a better understanding of the state-society relationship is not so limited. It would be a mistake to determine what is or is not a social contract--and qualify its use as a model--based on a particular political form or the nature and process of societal association. The fact is that state-society relationships also exist in non-democratic environments without, or even prior to, contracts of association. Societies have often been established by association of their common governance. Where a condition of governance is accepted by a society or defined by a state jurisdiction, then a relationship between a state and society exists. This describes a social contract; to deny it that recognition is only to record opposition to its non-democratic organization, to its "incorrect" constitution. Would the social contract be considered inappropriate to describe the conditions of governance for post-1945 Japan and West Germany because their democratic forms were not self-initiated but imposed by the war's victors? If not, when? And further: If a political community is once determined of a democratic form, can its state-society relationship always be described through the vehicle of the social contract? Excepting passage to anarchy or a totalitarian state, are there thresholds through which the character of the state-society relationship may pass--changes to the nature of its governmental form or properties of association, representation or consent--which place it outside the doctrine and beyond the descriptive capability
of the social contract?

As a concept and methodological construct, the social contract presents the political scientist with at least three opportunities. First, the social contract offers an effective model for illustration of the state-society relationship, to evaluate the expectations and responsibilities of the state and society, and determine state legitimacy as a result of contract fulfillment. That has been its primary function in this examination. Second, given its capacity to characterize state-society relationships, the social contract similarly provides a vehicle for comparison of different political forms. Third, if the social contract is granted validity as a vehicle to compare state-society relationships in different contexts, it may also allow the categorization of social contract types. It may even permit the determination—given empirical structures and means to measure such phenomena as consent, representation, and inclusion—of levels of political development.
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