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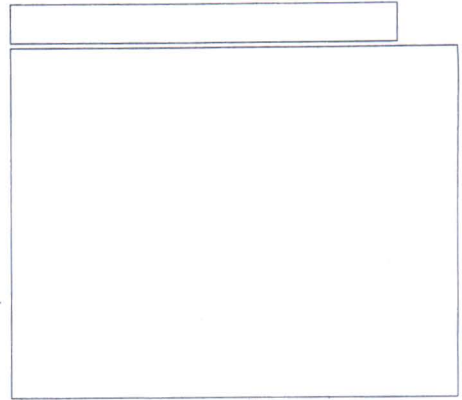
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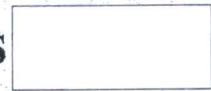
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The 27th CPSU Congress: Gorbachev's Unfinished Business



An Intelligence Assessment

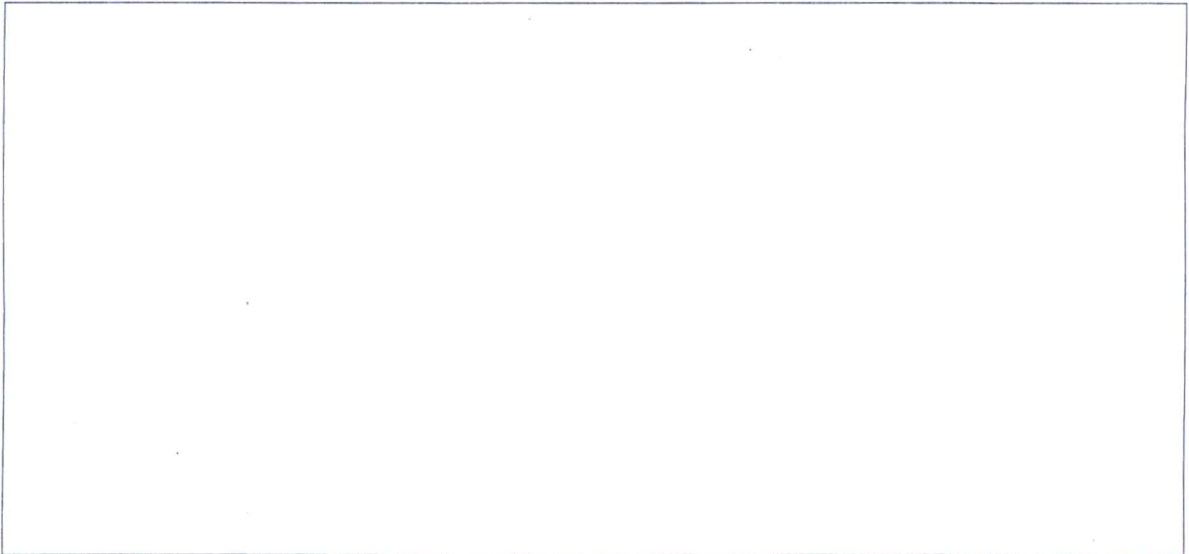
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SOV 86-10023
April 1986

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The 27th CPSU Congress: Gorbachev's Unfinished Business



An Intelligence Assessment



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SOV 86-10023
April 1986

The 27th CPSU Congress:
Gorbachev's Unfinished Business

Key Judgments

*Information available
as of 15 April 1986
was used in this report.*

Gorbachev's initial party congress effectively drew a curtain on the Brezhnev era and gave him a stronger hand to pursue his domestic and foreign agendas, but it was not the decisive break with the past that some Soviets and Western experts had predicted.

Gorbachev emerged from the congress in an improved position to press forward in rejuvenating the Soviet leadership and revitalizing the economy:

- His control over the leadership was strengthened by the greatest turnover in the Politburo, Secretariat, and Central Committee at a party congress since Khrushchev. The promotion of several supporters to steppingstone positions presages further housecleaning in the top leadership.
- The repudiation of the stagnation and inertia of the Brezhnev era, along with the strong endorsement of more exacting standards for party and state managers, will allow him to maintain pressure on the bureaucracy for improved performance.
- The congress's endorsement of Gorbachev's priority for machine building and accelerated technological renovation gives him the mandate he needs to push his goal of modernizing the Soviet economy.
- Gorbachev and his allies also broadened the scope of debate on how best to achieve rapid economic progress by asserting the need for "radical reform."

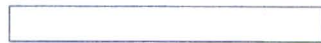
The congress approved Gorbachev's foreign policy strategy designed to nurture a favorable environment for domestic rebuilding through more assertive efforts to blunt a renewed American defense buildup:

- By focusing his report squarely on arms control and the US-Soviet relationship, Gorbachev underscored that foreign policy initiatives over the coming year—from Europe to Asia and the Third World—will be geared to the effort to change American policies. Subsequent remarks by Gorbachev and his colleagues at the congress indicate that Moscow will continue to engage the United States while sharpening its attempts to paint the administration as a recalcitrant partner.
- Advancement of two experts on the United States to the Secretariat presages a more sophisticated and vigorous effort to generate domestic pressures against administration policy.



Table 1
Gorbachev's Unfinished Business

Issue	Outcome	Implications	Further Steps for Second Year
Top-level leadership	Positioned several allies and proteges to advance from Secretariat and candidate ranks, but added only one full Politburo member	Changes contribute to his unprecedented consolidation of power in his first year but also reveal limits on his ability to promote allies, particularly those who have taken a more outspoken line on changing the system.	Move forward his point men on "radical reform." Yel'tsin and Murakhovskiy. Oust Kazakh boss Kunayev and isolate or retire other Brezhnev cronies and old guard leaders.
Central Committee	Greatest turnover since 1961, almost 50 percent, bringing in officials appointed when he was secretary overseeing cadres or since his election.	Gives him more secure control over body that is pivotal in carrying out his program, but the residual of Brezhnevites could act as brake on change.	Continue to replace remaining old guardists among ministers and party officials with younger, more dynamic officials beholden to him for their promotion.
Responsiveness of bureaucracy	Implicitly attacked Brezhnev's laxity and set new, higher standards, although without resorting to direct personal attack on Brezhnev.	Returns initiative to the center by recognizing need to turn over personnel and break up local cliques. Gorbachev's dominance of personnel apparatus through his protege Razumovskiy places him in strong position to implement these standards.	If Gorbachev is dissatisfied with what he got, he might press forward with further criticisms of the Brezhnev legacy. He must develop mechanisms like cross-posting to prevent his appointees from becoming co-opted while avoiding Khrushchev's excessive turnover, which alienated bureaucrats and contributed to his ouster.
Economic policy	Endorsed his strategy of focus on "human factors" and long-term shift to technological modernization. Call for "radical reform" supported by a handful of economic leaders.	While positioned to move forward with cautious modernization strategy, Gorbachev has provided stimulus to debate of more innovative and radical solutions.	Gorbachev needs to give more substance to his call for "radical reform." If he intends to change the system in more than cosmetic ways, he needs to loosen central control over prices and allocation of materials, allow greater reliance on market forces, and permit functional unemployment and bankruptcy as in Hungary.
Social policy	Stressed importance of social factor and again attacked Brezhnev's laxity, but failed to provide resource boost to solve problem of low consumer morale. On culture, took ambiguous line but pushed forward more pragmatic officials into ideological apparatus.	Continued focus on "human factor" approach—tightening discipline, fighting alcoholism. Cultural issues may be source of continuing tension between those worried about ideological contamination and those who view freer flow of information as necessary adjunct to economic modernization.	Gorbachev needs to push forward with revamping propaganda machinery under tutelage of his protege Yakovlev. May need to confront intellectuals' growing expectations for change.
Foreign policy and security	Endorsed his more innovative diplomacy and reengagement with the United States through focus on centrality of US-Soviet relationship and leadership changes in the Secretariat.	Speeches and personnel changes underscore focus on influencing advanced Western countries, not Third World. Provides rationale for more substantial shifts in policy toward the West than the stylistic changes we have seen so far.	Gorbachev needs to strengthen his grip on foreign policy and national security apparatus and follow through on rumored restructuring. Also needs to give substance to rhetoric refocusing foreign policy toward West by forcing through changes in Soviet negotiating positions.



- The truncated nature of his review of foreign policy, however, makes it difficult to predict Soviet behavior on specific regional and bilateral issues.

Although the congress gave new impetus to the main elements of Gorbachev's domestic and foreign policy line, it also raised questions about the General Secretary's will and ability to follow through on his ambitious agenda. For every issue moved forward an equally important question was sidestepped:

- In a number of areas—notably economic reform and elite privileges—it was clear that differing perspectives at the top and bureaucratic foot-dragging below still limit the pace of change.
- The congress failed to clear up how Gorbachev can keep his promises to the Soviet consumer while meeting his announced goals for investment growth.
- A core of Brezhnev holdovers remains in key positions, while Gorbachev's most outspoken proteges did not advance.

Gorbachev's avoidance of potentially divisive issues at the congress was politically prudent, but continued caution could slow the momentum he has built over the first year and undermine his image as a leader determined to overhaul the Soviet system. Whether the congress proves to be the major "turning point" in Soviet history that Gorbachev clearly wants it to be will depend on his ability to pursue the unfinished business left by the congress. To this end he needs to:

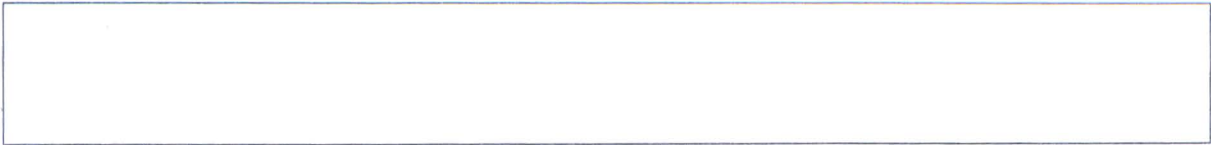
- Further shift the balance at the top by replacing old guard holdovers with allies more open to change.
- Make headway against the vast bureaucracy that historically has frustrated change by maintaining public pressure for exacting standards and perhaps authorizing further exposes of elite improprieties.
- Prepare the ground for more substantial economic change by sanctioning a wider discussion and initial experimentation with reform measures heretofore considered taboo.
- Gain a tighter grip on the foreign policy and defense establishments to match the control he has already achieved in other sectors, and begin to make changes of substance in long-held Soviet foreign policy positions.





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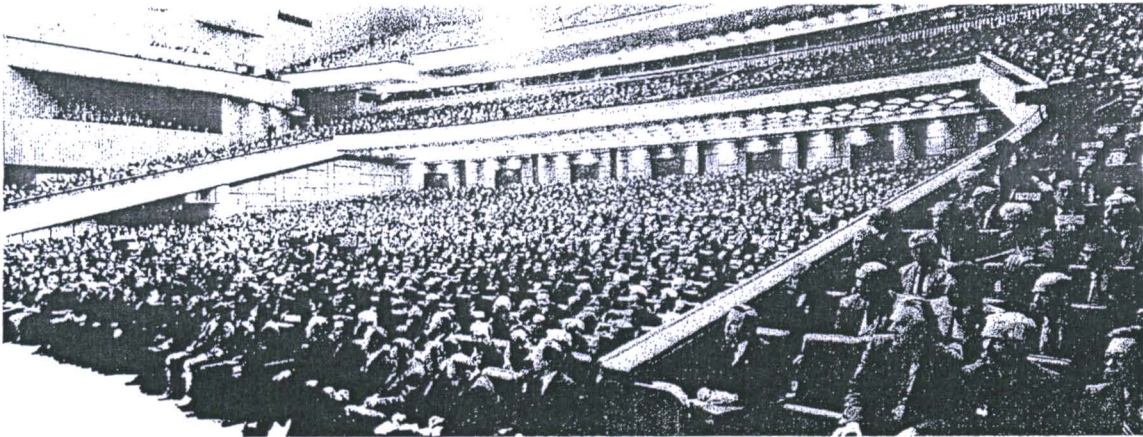
Preface

This Intelligence Assessment examines the implications of the 27th Party Congress for Gorbachev's political strength and policy agendas. [Redacted]

[Redacted]

[Redacted] The analysis draws on related Directorate analyses of Soviet domestic problems and foreign policy initiatives and reflects the views of both government and academic specialists. The paper presents a set of indicators to measure Gorbachev's progress in the coming year on issues where the evidence remains incomplete or interpretations differ. [Redacted]

The Role of the Party Congress



Delegates to 27th Party Congress

Communist party congresses have met regularly since Stalin's time. The quinquennial congresses supposedly act as the party's supreme policymaking institution and select the Central Committee to act for it between congresses. In reality, the 5,000-odd delegates exercise little real power; they are carefully selected by the party apparatus, and their deliberations are tightly managed by the party leadership in Moscow. Although the Congress formally selects the 300-plus members of the Central Committee, the composition of this body is worked out by the Politburo and the Secretariat according to a well-established procedure.

Despite their largely ceremonial function, congresses have sometimes played an important role in Soviet history. In the 1920s, when congresses occurred almost every year, policy debate was lively and rival factions maneuvered for political advantage. While no congress was held from 1939 until 1952, Stalin's successors have used them to unveil important new policies. In 1956 and 1961 Khrushchev attacked Stalin, and in 1971 the 24th Congress launched Brezhnev's detente policies and "Peace Program."

The 27th CPSU Congress: Gorbachev's Unfinished Business

The Congress in Perspective

Like earlier Soviet leaders, Gorbachev used his first party congress to set the tone for what he expects will be a long tenure as General Secretary. The hard-hitting speeches by party leaders at republic party congresses, comments by some Soviet officials, and speculations by Western journalists helped create a climate of great expectation for the congress when it opened on 25 February. While Gorbachev in his opening speech described the congress as a historical "turning point," the substance of his remarks and the following debates suggest his immediate goals were more modest:

- To make a decisive break with the laissez-faire leadership style of the Brezhnev era.
- To further consolidate his power base, building on a yearlong record of remarkable accomplishment.
- To engineer a show of unity behind his domestic and foreign policy strategy as it unfolded over his first year in office.
- To protect his options for considering more fundamental changes to the system should they prove necessary.

While the 27th Congress failed to match the lively ones of the Khrushchev era, it departed dramatically from the tenor of Brezhnev's last congress in 1981, which was dominated by the propaganda of success, the touting of past and anticipated accomplishments, and sycophantic speeches of subordinates. Gorbachev's first congress—while not free from a pep rally atmosphere—projected a more self-critical vision of current Soviet problems. Gorbachev set the tone for a more businesslike and objective debate in his political report. More than one speaker confessed to shortcomings, and the General Secretary conspicuously chided one delegate who heaped praise on him.

Overall, a spirit of consensus dominated the congress. By eschewing radical rhetoric and approaches—and avoiding the personal attacks on former General Secretary Brezhnev that many had expected—Gorbachev projected an image of a businesslike and



Gorbachev at the 27th Party Congress

responsible statesman and leader rather than a bold iconoclast. His positions were echoed by most speakers. Few defended the old guard, and no one rebutted the notion that serious problems had been allowed to accumulate under Brezhnev. At least rhetorically, the leadership was in lockstep behind economic modernization and doing things in a new, more innovative fashion. On policy toward the United States, where

some discordant notes were heard following the Geneva summit, speakers at the congress lined up uniformly behind Gorbachev's approach. [redacted]

Gorbachev moved cautiously forward despite some foot-dragging and anxiety within the bureaucracy and appears to have emerged from his first congress with his image as a decisive leader enhanced both at home and abroad. [redacted]

Consolidating Power

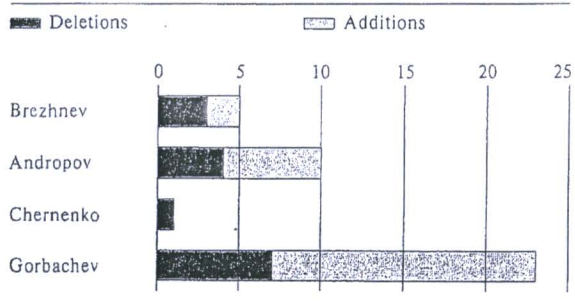
Gorbachev's most impressive achievements have been his moves to reshape the top leadership, and the personnel changes at the congress constitute another large step in the process (see figure 1). Despite some apparent limitations in his ability to pack the Politburo, personnel changes at the congress were the most sweeping of the past 25 years. He added one full member—defense industry secretary Lev Zaykov—to the Politburo, two candidate members—regional party chiefs Nikolay Slyun'kov and Yuriy Solov'yev—and made major changes in the Secretariat (see appendix for biographical information). Together with earlier personnel changes—including the removal of three old guardists who were full members of the Politburo—Gorbachev has nearly remade the party's top leadership (see figure 2).² These changes have brought in many allies, albeit few clear-cut clients. [redacted]

[redacted]

Gorbachev effectively rebuilt the Secretariat by adding five new members and dropping two, leaving only two Brezhnev holdovers on the 11-member body. Two Gorbachev proteges were added: Cadres Department Chief Georgiy Razumovskiy and Propaganda Department Chief Aleksandr Yakovlev. Gorbachev continued to take control of the foreign policy apparatus by retiring Boris Ponomarev, International Department head for over a quarter century, and Konstantin Rusakov, head of the Bloc Relations Department (removed from the Secretariat on the eve of the congress), and promoting Ambassador Anatoliy Dobrynin. For the first time since the Khrushchev era,

[redacted]

Figure 1
First-Year Leadership Changes Under Brezhnev, Andropov, Chernenko, and Gorbachev^a



^a Includes all additions, deaths, retirements, and removals among Politburo members and secretaries.

[redacted]

Gorbachev brought a woman into the top leadership—Aleksandra Biryukova, a longtime trade union official, who will probably take over responsibility for light industry. [redacted]

Vadim Medvedev's precise responsibilities are unclear. Contacts of the US Embassy in Moscow claim he now heads the Bloc Relations Department, although this assignment might be only on an interim basis. His vocal support for improved economic management and accelerated introduction of technology, in any case, could make him an influential player on Gorbachev's economic team. He might eventually move to head the still vacant Economic Department given this general focus. [redacted]

The changes will help Gorbachev advance his agenda of revitalizing the system and pursuing a more activist foreign policy. The new candidate Politburo members and secretaries will not only give Gorbachev a more loyal team, but will also bring additional practical management experience into the party's top bodies. Zaykov, Slyun'kov—both former factory managers—and Solov'yev have extensive industrial experience, and their public statements echo Gorbachev on the













Figure 2
CPSU Politburo and Secretariat

 Promoted since March 1985, when Gorbachev became General Secretary.








 Promoted at 27th Party Congress, 6 March 1986.

Politburo








Full Members

Mikhail Gorbachev		Party General Secretary
Geydar Aliyev		First Deputy Chairman, Council of Ministers
Viktor Chebrikov		Chairman, KGB
Andrey Gromyko		Chairman, Presidium, Supreme Soviet
Dinmukhamed Kunayev		First Secretary, Kazakhstan party Central Committee
Yegor Ligachev		Party secretary, ideology and party personnel
Nikolay Ryzhkov		Chairman, Council of Ministers
Vladimir Shcherbitskiy		First Secretary, Ukrainian party Central Committee
Eduard Shevardnadze		Minister of Foreign Affairs
Mikhail Solomentsev		Chairman, party Control Committee
Vitaliy Vorotnikov		Chairman, RSFSR Council of Ministers
Lev Zaykov		Party secretary, defense industry and general economics

Candidate Members

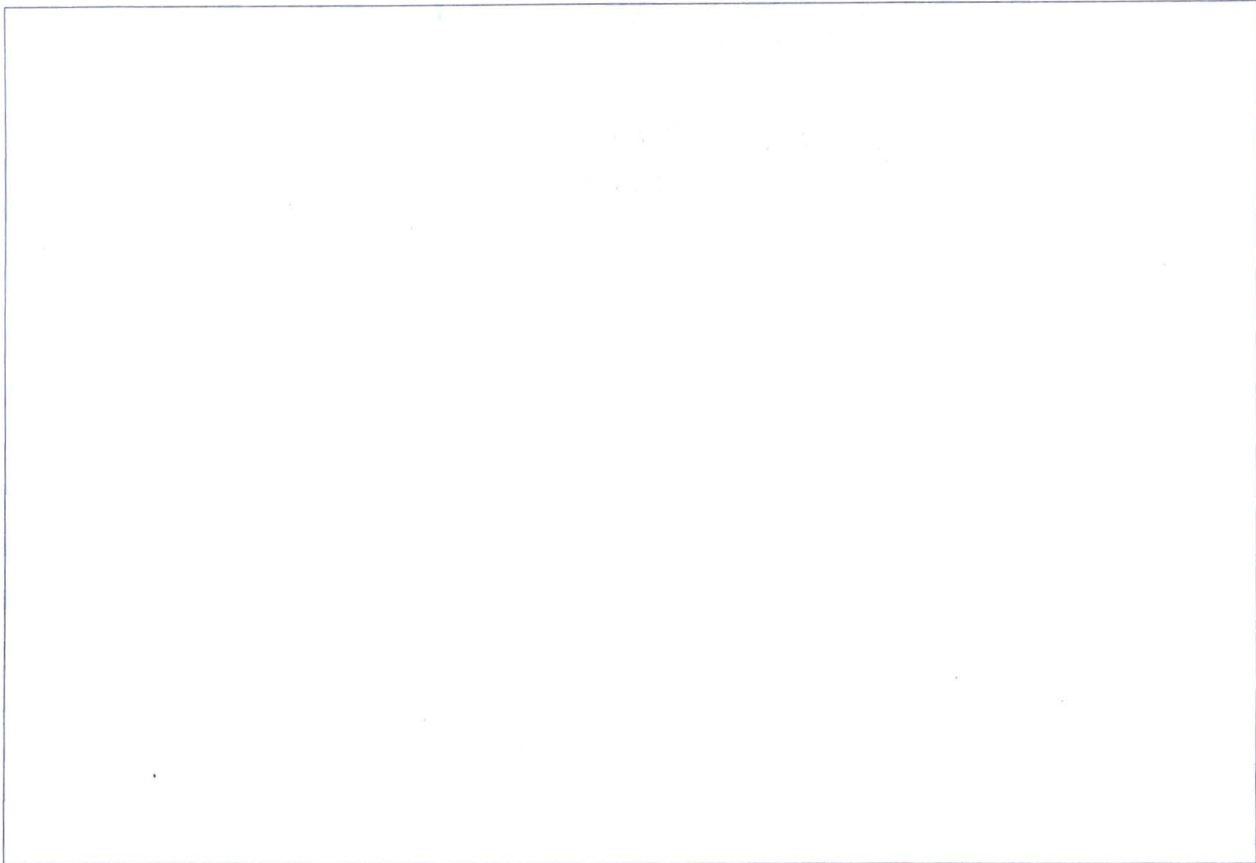
Petr Demichev		Minister of Culture
Vladimir Dolgikh		Party secretary, heavy industry
Nikolay Slyun'kov		First Secretary, Belorussian party Central Committee
Sergey Sokolov		Minister of Defense
Yuriy Solov'yev		First Secretary, Leningrad Oblast
Nikolay Talyzin		Chairman, Gosplan; First Deputy Chairman, Council of Ministers
Boris Yel'tsin		First Secretary, Moscow city party

Secretaries Not on Politburo

Aleksandra Biryukova		Light industry, consumer issues ^a
Anatoliy Dobrynin		Foreign affairs ^a
Vadim Medvedev		Bloc relations
Viktor Nikonov		Agriculture
Georgiy Razumovskiy		Party personnel ^a
Aleksandr Yakovlev		Ideology, propaganda ^a
Mikhail Zimyanin		Culture

^a Probable responsibilities.





need to retool the economy, accelerate the introduction of new technology, and improve the machine-building sector. [redacted]

Appearance of Incompleteness. Despite making impressive headway over the past year, Gorbachev does not yet appear to have a free hand in reshaping the Politburo and may be meeting some resistance. The promotion of Zaykov to senior secretary will help Gorbachev balance the influence of "second" secretary Ligachev, but the Secretariat remains understaffed at the senior level. There were rumors that Politburo members Eduard Shevardnadze and Viktor Chebrikov were slated to move to the Secretariat—either one of which would have further diluted Ligachev's power—but neither move materialized. Despite indications that Gorbachev wants to remove Kazakh party leader Dinmukhamed Kunayev and, according to some contacts of the US Embassy in Moscow, Ukrainian party boss Vladimir Shcherbitskiy as well, both were reelected at the congress. [redacted]

Lingering conservatism in the Politburo may also explain the failure to promote the two most outspoken advocates of change at the Congress, Moscow party boss Boris Yel'tsin and First Deputy Premier Vsevelod Murakhovskiy—the latter a protege from Gorbachev's Stavropol' bailiwick.³ While Yel'tsin has held his candidate post only since the pregress plenum and might be expected to wait for further promotion, Murakhovskiy's failure to advance to candidate membership is striking because two other first deputy premiers are already in the Politburo. [redacted]



Importance of the Central Committee

The Central Committee, most of whose members are elected on the basis of holding key party and government jobs, has always been an important lever of control for the General Secretary. In the 1920s Stalin built his power base by packing that institution, and Khrushchev emulated his strategy in the 1950s. Although members have only an indirect role in policy formulation—that power resides in the Politburo and the Secretariat—they play a crucial role in policy implementation and can resolve conflicts when opinion in these higher deliberative bodies is divided. They can even decide the fate of the General Secretary, as they did in 1957 when they supported Khrushchev against his Politburo opponents, and in 1964, when they threw their support to Brezhnev and sanctioned Khrushchev's overthrow.

The changes at the congress have an incompleteness about them that suggests Gorbachev has additional personnel shifts in mind. His position in the Secretariat is particularly strong—there are now an unusually large number of junior party secretaries—and Gorbachev is probably positioning some of them for further promotions or other jobs. He moved Premier Nikolay Ryzhkov and Moscow party boss Yel'tsin to their present posts from the Secretariat.

Success in the Central Committee. One of Gorbachev's priority goals when he took office was to place his own selectees in positions conferring Central Committee membership while removing as many potential opponents as possible from such slots (see inset). He has been remarkably successful in achieving this goal; 85 of the 125 new members have been appointed since his election. The wide-ranging purge of party and government leaders that he has conducted since taking power in March contributed to the largest turnover of Central Committee members since Khrushchev's time. Over 40 percent of the full or voting members of the Central Committee elected at Brezhnev's last congress in 1981 were turned out of office, and almost 50 percent of the full and candidate members elected to the new body are choices approved by Gorbachev, either when he was senior

Table 2
New Central Committee at a Glance

	1986	1981
Full members		
Rerelected	182 (59%)	238 (75%)
New full members	125 (41%)	81 (25%)
Elevated from candidate member	23 (8%)	34 (10%)
Newcomers	102 (33%)	47 (15%)
Total	307 (100%)	319 (100%)
Candidate members		
Rerelected	54 (32%)	61 (40%)
Newcomers	116 (68%)	90 (60%)
Total	170 (100%)	151 (100%)
Grand total	477 (46% new)	470 (29% new)

Institutional breakdown of full members

National party	30 (10%)	31 (10%)
National government	69 (23%)	77 (24%)
Regional party and government	117 (38%)	127 (40%)
Military	23 (7%)	23 (7%)
KGB	4 (1%)	4 (1%)
Ministry of Foreign Affairs	15 (5%)	16 (5%)
Media editors	3 (1%)	4 (1%)
Mass organizations and unions	8 (3%)	8 (3%)
Scientific institutions	11 (4%)	10 (3%)
Others ^a	27 (8%)	19 (6%)
Total	307 (100%)	319 (100%)

^a Includes industrial and agricultural managers, workers, and honorary retirees.

secretary overseeing personnel or since he was named General Secretary (see table 2). They are presumably beholden to him and his allies for their positions.

While engineering a historically high rate of turnover of its members, Gorbachev—unlike many of his predecessors—did not expand the size of the Central Committee, nor did the influx of new members shift

the relative political influence of the country's major institutions. The number of full members actually declined from 319 to 307, while the number of candidate members grew slightly, from 151 to 170. While expanding the Committee would have allowed him to pack it with even more of his supporters, he appears to have shifted the body's loyalty toward himself without giving more of the elite a claim to Central Committee status. He thus avoided giving them greater political independence from the center—a step that could attenuate central control down the road, as the Brezhnev era showed. [redacted]

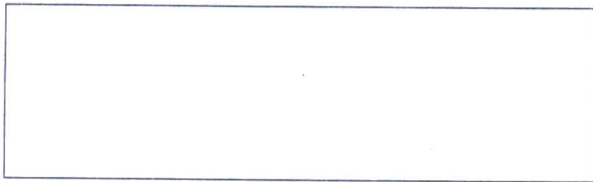
Gorbachev also took advantage of the elections to advance several personal advisers, as well as to reward those supportive of his policy views and chasten opponents:


- New foreign policy adviser Anatoliy Chernyayev was promoted to full member, and domestic aides Anatoliy Lushchikov and Valeriy Boldin were made full and candidate members, respectively. A possible adviser on ideology, Georgiy Smirnov, retained his candidate seat as well.
- Arms control spokesman and reputed science adviser Yevgeniy Velikhov was among several Academy of Sciences vice presidents advanced to candidate membership, promotions that probably reflect the stress Gorbachev places on science and technology in achieving his economic goals.
- Richard Kosolapov, the *Kommunist* editor who has served as the principal public spokesman for those resistant to economic reform, lost his position as full member.
- Reform-minded philosopher Ivan Frolov—criticized and demoted in the 1970s for advocating “open debate” of ideologically sensitive issues—was leapfrogged to full membership and has replaced Kosolapov as editor of the important party theoretical journal. [redacted]


Reorganization of the Central Apparatus. The failure of a number of department chiefs to gain reelection to the Central Committee strongly suggests that Gorbachev also made good on his rumored intention to

streamline the party apparatus by reducing the number of Central Committee departments:

- Letters Department Chief Boris Yakovlev failed to regain his position on the Central Auditing Committee. Letters departments have already been eliminated at the republic level, and the Auditing Commission has apparently assumed this function at the national level. Yakovlev's removal confirms the demise of his department.
- Agricultural Machine Building Department Chief Ivan Sakhnyuk lost his seat on the Central Committee, possibly indicating that this department, created during Brezhnev's last years, has been merged with the Machine Building Department or with the Agriculture Department in a move parallel to Gorbachev's recent merging of agricultural ministries on the government side.



In addition, Kirill Simonov, head of the Transport and Communications Department, and Vasilii Shauro, head of the Culture Department, were not reelected candidate members. Their replacements have subsequently been named, however, indicating that these departments have not been eliminated in a general reorganization. 


These removals mark an almost complete turnover of department chiefs in place when Brezhnev died in 1982, leaving only Administrative Organs Department Chief Nikolay Savinkin and Agricultural and Food Industry Department Chief Vladimir Karlov—both reelected at the congress—in their positions. Continued criticism of the poor performance of several Central Committee departments and of their undesirable proliferation by Moscow party boss Yel'tsin suggest more streamlining may be under consideration. 

Honorable Retirement? In an unusual move, four retired senior party and government officials—Premier Nikolay Tikhonov, State Planning Committee

Brezhnevites Left in the Central Committee

While Gorbachev made impressive headway in cleaning deadwood from the Central Committee, some Brezhnev longtimers managed to survive the Gorbachev "purge" before the congress and hold onto their seats:

- *Over a dozen regional or republic party leaders of the older generation who have held their posts for a decade or more remain at the helm, some despite criticism in the media and party directives.*
- *Several superannuated ministers, including one who is 87 years old and several others who have been sharply criticized since Brezhnev's death, remain at their posts.*
- *Some key economic functionaries such as State Price Committee Chairman Nikolay Glushkov, who shares an obstructionist approach to economic change with ousted officials like Nikolay Baybakov, also remain in place.*

Gorbachev will presumably continue his effort to root out such officials, whose views or capabilities are clearly out of step with his program. 

(Gosplan) Chairman Nikolay Baybakov, International Department Chief Boris Ponomarev, and Supreme Soviet Presidium First Deputy Chairman Vasilii Kuznetsov—were reelected to the Central Committee. Gorbachev pointedly did not extend this gesture of respect to fallen foes Grigoriy Romanov and Viktor Grishin. This solicitude toward elderly ex-leaders—almost unprecedented in the rough-and-tumble arena of Kremlin politics—is consistent with earlier signs that Gorbachev wants to make retirement a more respectable step, and it may be intended to coax remaining superannuated officials into retirement. We cannot completely rule out the possibility that the move was a quid pro quo forced upon Gorbachev by

remaining old guardists within the leadership. Gorbachev, however, would probably find this a small price to pay for removing those officials who have been major obstacles to his policies. [redacted]

Shaping a More Effective Ruling Elite

Gorbachev's plans for revitalizing the system rest not just on getting new people in place but on developing and building a more effective and innovative leadership. One of the congress's most important results was its authoritative condemnation of the laissez-faire leadership of the Brezhnev era and the articulation of new, more exacting standards for party and government bureaucrats. [redacted]

Building on themes he has stressed since his election, Gorbachev's political report and a number of speeches by other key leaders give us a sharper picture of the new leadership's program for changing personnel policies, improving the responsiveness of bureaucrats, and revitalizing central party control:

- Without mentioning names, the congress attacked Brezhnev's "irresponsibility, failure to be exacting, and inertia," and damned the failings of top leaders in Moscow, Uzbekistan, and Kirgiziya for the growth of corruption and nepotism.
- The congress called for continued replenishing of the party with younger cadres and women and for cleansing its ranks of corrupt, inept, or deficient personnel.
- The congress endorsed the principle of tighter control over high party and government officials. Several speakers called for regular examination of the activities of top officials by their primary party committees.
- The congress endorsed greater publicity for party activity, up to and including that of the Politburo, with rank-and-file members being apprised of reasons for promotions or demotions.
- Gorbachev and others stipulated that no party organization or official should be outside party control. Ligachev drove home the point by emphasizing that all organizations—including those in his

A Quiet De-Brezhnevization

Since Brezhnev's death in 1982, a quiet de-Brezhnevization had been under way, but Gorbachev has greatly accelerated the pace since he came to power a year ago. Brezhnev's immediate successor, Yuriy Andropov, had initiated steps to reverse the drift and laxity under Brezhnev but moved cautiously because of the presence of Brezhnev cronies like "second" secretary Chernenko and Premier Tikhonov. Chernenko slowed this process during his tenure, but the presence of Gorbachev and other Andropov stalwarts kept the campaign moving until Gorbachev's election.

[redacted]

Gorbachev believes, to judge from his public statements, that Brezhnev's personnel policies and leadership style had resulted in the accumulation of serious political, economic, and social problems that had to be confronted in order to revitalize the system. Brezhnev's laxity in dealing with subordinates, his tendency to leave officials in place even after they had gotten too old or demonstrated their incapacity for their jobs, and his complacency in the face of nepotism and corruption had contributed to a serious erosion of the center's power vis-a-vis the major party and government bureaucracies. Gorbachev's focus on personnel questions could indicate a perception, shared by some members of his team, that the "human factor" alone is sufficient to radically improve the functioning of the system. [redacted]

home region and in the home oblasts of Gorbachev, Zaykov, Ryzhkov, and Yel'tsin—must be open to criticism.

- Ligachev proposed that the central apparatus assign officials to the regional organizations and transfer them between regions without regard to their nationality or regional affiliation, to break down the development of local fiefdoms.

- Criticism and self-criticism were strongly touted as necessary to maintain a healthy atmosphere within the party and avoid nepotism. Although Gorbachev failed to follow the example, many other speakers admitted their own shortcomings—as had most republic first secretaries at their congresses. Yel'tsin attributed his failure to criticize the pervasive complacency at the last congress to his own "immaturity."
- Speakers called for more aggressive work by party committees in the economic ministries to strengthen party oversight of the economy. Yel'tsin—who as Moscow party boss oversees these committees—advocated a restructuring of the party apparatus so it would no longer be the captive of the economic ministries or mired in the day-to-day resolution of petty economic questions. [redacted]

Contentious Issues. Despite the implicit criticism of Brezhnev and other members of the old guard, the congress did not go as far as some unofficial Soviet and Western sources had predicted in attacking Brezhnev and sidestepped a number of contentious issues.⁴ There was no counterpart to Khrushchev's 1956 speech that attacked Stalin and detailed his crimes and failings, nor did a number of the more sensitive issues that surfaced in the pre-congress discussions get fully aired at the congress. [redacted]

[redacted] The publication before the congress in *Pravda*, *Kommunist*, and other party periodicals of letters from rank-and-file party members who proposed such changes suggested that Gorbachev might, in fact, have been manipulating grassroots sentiment to introduce such a provision at the congress. [redacted]

The congress also for the most part dodged the even more explosive issue of restrictions on the system of privileges for the party elite. This issue surfaced last

⁴ This expectation was reinforced by the explicit criticism of several former republic first secretaries, including candidate Politburo member Sharaf Rashidov, at the republic congresses preceding the national one. [redacted]

Privileges and Perks of the Party Apparatus

Despite the party rules—which claim that party members are distinguished from ordinary citizens only by additional responsibilities—privileges have played an important role in sweetening membership since the Revolution. From the outset, the party introduced special food rations for party workers, and Stalin went further—passing envelopes stuffed with money to compensate for keeping officials' salaries on a par with those of workers. Under Brezhnev, the party leadership expanded the impressive system of stores, cafeterias, and health and recreational facilities to serve the elite. Despite the new emphasis on moral probity since Gorbachev's accession, the republic and national congresses still had special "souvenir" shops set up for congress delegates, one of the traditional perks that go with the honor of selection. [redacted]

fall in a speech by the well-known poet and Stalin critic Yevgeniy Yevtushenko, who has sometimes been used as a stalking horse for controversial policies. Soon after, rumors began to circulate that the special shops and cafeterias that serve the party elite were being closed (see inset). [redacted]

On the eve of the congress, *Pravda*—the party's mouthpiece—confronted the issue directly, printing a letter on 13 February from a reader who attacked many of the inequalities of the Brezhnev period, including the access of party bureaucrats to special stores and hospitals, demanding that bosses stand in line with everyone else. [redacted]

[redacted] *Pravda* in fact published what amounted to a rebuttal in its 15 February issue. [redacted]

Gorbachev stayed clear of this issue at the congress, but other developments lend credibility to reports that it remains a source of controversy in the leadership. Responding to a question at a press conference on 27 February, Politburo member Geydar Aliyev admitted that people at his level "live well" but denied that party bureaucrats received any unique privileges, claimed that they work 24 hours a day, and suggested that the discussion kicked off by the article was continuing. [redacted]

At the congress, Ligachev took *Pravda* to task for its treatment of issues leading up to the congress, and Volgograd First Secretary Kalashnikov—who had worked under Gorbachev in Stavropol'—attacked a letter printed in the same *Pravda* article for its description of an "inert, flabby party administrative stratum" said to enjoy unearned privileges. By contrast, Yel'tsin—who reportedly closed the special cafeteria for Moscow city party officials—used language that echoed the article's criticism, referring to "the inert layer of timeservers with a party card." [redacted]

Explanations for Gorbachev's Caution. Several political considerations may have caused Gorbachev to move cautiously on this whole range of issues. The leadership may have agreed to avoid a sensational treatment of Brezhnev's personal failings that could be exploited for propaganda value in the West. President Gromyko—who a year ago had warned that foreigners were looking for signs of divisions in the Soviet system—in his speech to the congress underscored the cohesion of the party and warned that frank criticism of personnel policies should stop short of vilifying "honest Communists." [redacted]

The leadership may have also been attempting to dampen broad-based tension in the middle levels of a Soviet bureaucracy already unnerved by the whirlwind changes in top leadership, steps to trim its size, and rumors of further reorganizations. Gorbachev addressed this concern directly by rejecting a wholesale "purge" proposed by some during the discussion of the party program and rules, asserting that the party is a "healthy body." [redacted]

Gorbachev could also have encountered sufficient resistance to make him think it was not worth the potential gain to openly pursue controversial attacks on party leaders by name or to openly attack party privilege, a fact underscored by the coolness of allies like Ligachev and Kalashnikov. Numerous speakers at the congress referred to continued lower level resistance to the new standards within the bureaucracy. A handful appeared to balk at the more extreme proposals to reassert central control. [redacted]

While Gorbachev's conduct at the congress probably suggests some limits on his ability to press radical changes, he may have gotten almost everything he felt was essential. Gorbachev may have intended only to manipulate grassroots pressure to move the leadership toward implicit repudiation of Brezhnev policies without necessarily favoring a formal change to party rules. Such changes—like the limits on tenure enacted under Khrushchev—had alienated the party bureaucrats. Consequently, Gorbachev might actually prefer to establish such policies informally. [redacted]

Limits on Gorbachev's Authority. Despite the indications of differences, and evident limits on the assault on Brezhnevism, Gorbachev comes away from the congress having achieved a strong endorsement of a more demanding standard for Soviet bureaucrats. The unfolding of the privilege issue raises a serious question about the degree of consensus within the Gorbachev coalition, but divisions may ultimately prove short-lived and perhaps signify only tactical differences between Gorbachev and Ligachev, neither of whom probably favors entirely dismantling the system of party privilege. The choice of a less sensational approach to the question of Brezhnevism at the

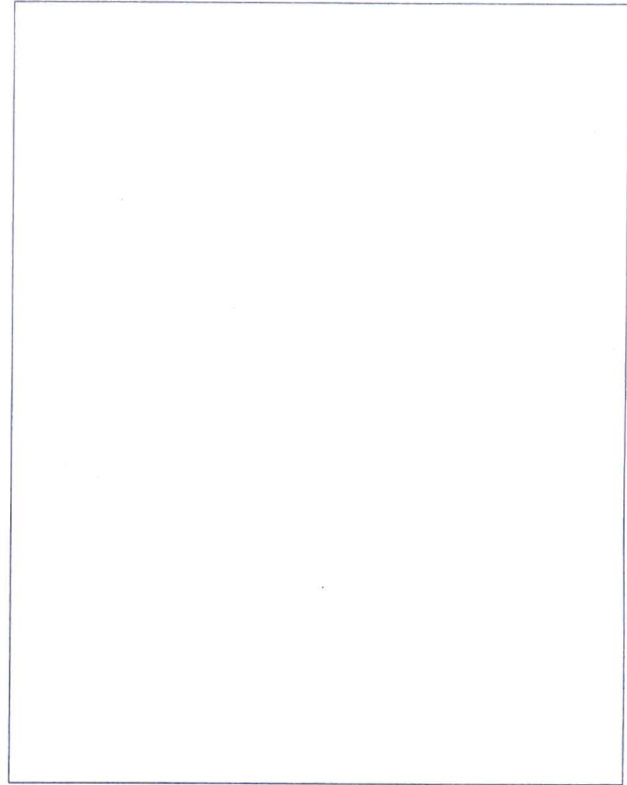


Premier Ryzhkov delivers economic report at congress while Ligachev, Gorbachev, and Gromyko listen. [redacted]

congress, in fact, may strengthen Gorbachev's credibility within the party, where concern about a purge appears widespread. In any case, Gorbachev would certainly want to avoid a serious rift in the party over a matter that is tangential to his main objective of revitalizing the system. [redacted]

Endorsing an Economic Strategy

The Congress strongly endorsed Gorbachev's economic strategy, which rests on raising the productivity of the labor force and renewing the country's stock of plant and equipment.³ The first track is designed to kick-start the lethargic economy through "human factors," measures that the system is currently implementing: new personnel appointments, organizational changes, a vigorous temperance campaign, and renewed emphasis on discipline and improved worker effort. According to Premier Ryzhkov, nearly one-third of the sharp rise in labor productivity called for in the 1986-90 Plan is to come from these measures [redacted]. The balance of the planned increase is to be achieved by substituting capital—in many instances low technology—for labor in areas that employ large numbers of manual laborers. Ryzhkov, for instance, indicated that such substitution would add

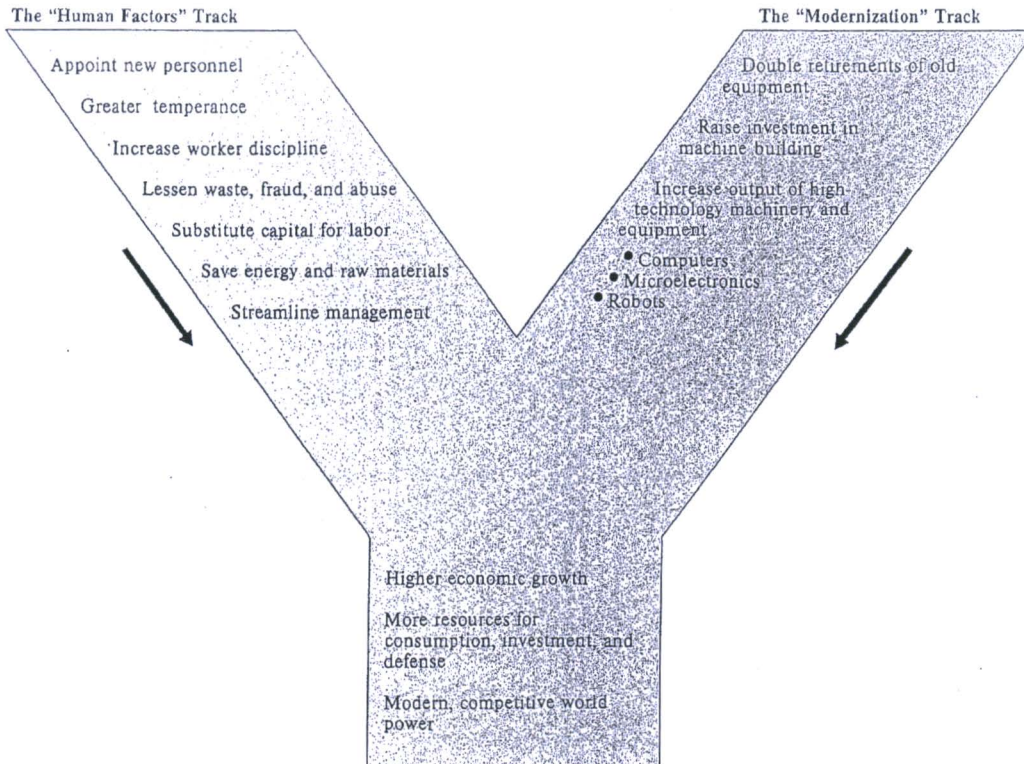


the equivalent of 20 million people to the work force by 1990. With an actual increment of only 3.2 million people expected during 1986-90, this would, if successful, provide the major source of economic growth for the rest of the 1980s. [redacted]

Although freeing up these workers and improving discipline would give a one-time shot in the arm to the economy, these measures cannot by themselves sustain high growth. Judged by its public statements, the new leadership understands that substantial improvement in the economy's level of technology is required to recapture the high growth rates of the early 1970s or begin to match the productivity of the leading Western industrial powers. Both Gorbachev and Ryzhkov emphasized the need to move as quickly and as far as the economy can afford along the second track of the General Secretary's strategy—modernizing the country's stock of machinery and equipment

³ For additional information on Gorbachev's [redacted] see DI Intelligence Assessment [redacted] September 1985, Gorbachev's *Economic Agenda: Promises, Potential, and Pitfalls* [redacted]

Figure 4
Riding the Gorbachev Road



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through the development and expansion of high-technology industries (computers, microelectronics, robotics, and others). [redacted]

The leadership hopes that speeding up the production and assimilation of high-technology machinery and equipment will provide the basis for even greater gains in labor productivity in the 1990s. Gorbachev plans to enter the next decade having renewed about

one-third of the country's stock of machinery and equipment. Armed with a more modern and more efficient (in terms of energy and raw materials use) industrial base, the General Secretary hopes to merge the two tracks of his strategy at that time, synergistically pairing a more disciplined work force and enlightened managerial cadre with modern high-technology capital to move the economy along an accelerating growth path (see figure 4). [redacted]

The economic growth rates published in the postcongress version of the Draft Five-Year Plan for 1986-90 and Guidelines to the Year 2000 reflect Gorbachev's two-track strategy. The plan calls for economic growth to average almost 5 percent annually between 1985 and 2000, beginning with a relatively modest 3.5-percent average annual growth for the balance of the 1980s and accelerating to more than 5 percent per year during the 1990s. Output growth in the vital industrial sector is to follow much the same pattern, rising from about 4 percent annually during 1986-90 to more than 5 percent per year in the 1990s. [redacted]

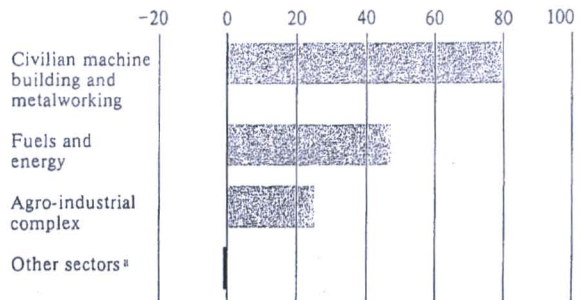
To finance his strategy, Gorbachev made clear at the congress his intention to devote as much of the investment pie as possible to the machine-building sectors. Accordingly, investment in civilian machine building in 1986-90 is to be 80 percent higher than in 1981-85, and the bulk of this increase is to be channeled into the high-technology sectors. This would raise machine building's share of total investment from 8.5 percent in 1981-85 to 10.4 percent in 1986-90. [redacted]

Earlier, Gorbachev had apparently intended to achieve this shift in investment to the machinery-producing sector partly by stabilizing energy's share of investment. However, the speeches of both Gorbachev and Ryzhkov at the congress have made clear that this option has been discarded, almost certainly because it would lead to a more serious decline in oil production.⁶ Investment in the energy sectors is now slated to rise by almost 50 percent in 1986-90, with most of this increment allocated to oil and coal production. This would raise energy's share of investment allocations to 14.8 percent, almost 3 percentage points higher than in 1981-85. With the agro-industrial sector planned to grow at roughly a 25-percent rate to maintain its customary one-third of the investment pie, there will be no room for expanded investment in the rest of the economy, particularly those sectors oriented toward consumer welfare (see figure 5). Investment in the balance of the economy currently accounts for 47 percent of the total. [redacted]

[redacted]

Figure 5
USSR: Planned Investment Growth, 1986-90

Percent increase from 1981-85



* Assumes 20 percent total investment growth over 1981-85. Planned total investment growth is 18 to 22 percent. Other sectors include military-related MBMW, industrial materials, chemicals, transportation and communications, light and food industries, domestic trade, consumer services, and housing and construction.

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Although the leadership paid much lipservice during the congress to improving the lot of the consumer, without a substantial boost in resources there seems little chance for much material gain beyond perhaps some improvement in the diet—and even that will require benevolent weather conditions. The key may be in Gorbachev's efforts to ensure that the more productive workers get first crack at what is available and in his efforts to improve the quality of consumer goods which, while problematical, might not demand large additional investments. [redacted]

The congress failed to reconcile some apparent tension between the annual economic plan for 1986 and the Five-Year Plan for 1986-90. This may well reflect Gorbachev's greater control of the annual plan than the five-year plan which—despite statements indicating it was remanded for further work—was probably so advanced by the time he entered office that he

lacked the opportunity to change it significantly. It is possible that Gorbachev has run into resistance from the ministries and planning organizations and has opted to rely on annual plans to implement a more rapid investment growth policy. [redacted]

While confirming that investment is scheduled to increase by about 3.5 to 4 percent per year during 1986-90, the congress made no mention of the whopping increase of 7.6 percent announced previously for 1986 or the implications of this increase for investment growth in 1987-90 (see inset). The acceleration of investment planned for 1986 implies that investment would have to slow considerably during 1987-90, to around 2.5 to 3 percent annually, to stay within the five-year plan guidelines. However, the plans for machinery production indicate faster growth during 1987-90 than in 1986—a pattern clearly out of line with slower growth of investment. [redacted]

The congress also underscored an apparent contradiction between the rhetoric on improving consumer welfare and the meager resource share scheduled to go to the consumer sector—which will absorb a major cut to fund the modernization drive (see figure 5). Premier Ryzhkov implicitly acknowledged that, despite the ambitious goals for increased production of consumer goods, the share of consumption in national income will fall in 1986-90. [redacted]

Signs of tensions over the ambitious nature of the modernization drive, which rests on some potentially dubious assumptions about the capabilities of Soviet industry, also surfaced in the speeches of several speakers:

- Many speakers highlighted the chronic deficiencies of the capital construction sector, and Volgograd First Secretary Kalashnikov frankly admitted that the targeted 80-percent increase in his oblast's capital investment plan for the five-year period did not correspond to the capacities of the oblast's construction and installation organizations.⁷

[redacted]

Gorbachev's Modernization Strategy and Defense

The issue of defense spending was artfully dodged at the party congress, where the documents merely stated that defense spending be kept at a level to guarantee parity with the United States and NATO. Gorbachev's modernization strategy, however, clearly has implications for this sector.^a Some Soviets have suggested the competition for resources could become intense. Our calculations indicate that over the next few years the defense establishment is well positioned to accommodate the shifts in demand for high-technology machinery implied by the industrial modernization campaign—despite some trade-offs at the margin for machine tools and microprocessors—because of past major investments that resulted in a substantial expansion of the defense industry. The real test will come in two or three years when renewed demands for expanding and renovating defense industry begin to surface as the defense sector starts preparing to produce new generations of weapons. Demands for additional resources at that time could well come before the modernization effort has borne fruit, forcing the leadership to make some hard choices between the pace of modernization and the rate of growth of defense procurement. [redacted]

^a For a detailed examination of this issue, see *DI Intelligence Assessment* [redacted] March 1986, *Gorbachev's Modernization Program: Implications for Defense*. [redacted]

- Other speakers pointedly referred to continued problems in the quality of machinery, alluding to the fact that some of the machinery installed during reconstruction was still grossly outmoded while “new machinery” scarcely exceeded older models in terms of productivity. [redacted]

Many resource allocation decisions may also remain under debate. Gorbachev could still face resistance from some in the military concerned that the modernization drive, particularly if it demands a high level of machinery for the civilian sector for the rest of this

decade and into the 1990s, will seriously complicate their efforts to modernize the defense industry and keep pace with new military technologies. [redacted]

Debating Further Steps Toward Reform

So far, Gorbachev's specific proposals have been in keeping with the conservative approaches of past regimes—tinkering with the system, not radically changing it. More radical changes might even be disruptive in the short term. The failure of a tinkering strategy, however, could push Gorbachev further in the direction of thoroughgoing change over the next few years. [redacted]

The congress, in fact, advanced the discussion of some of the more far-reaching economic reforms that may ultimately be required to achieve Gorbachev's goals. Gorbachev himself provided a clear stimulus by using for the first time the term "radical reform" to describe his prescription for the Soviet economy—asserting specifically that mere "changes in the economic mechanism" would not be enough. Just what sort of reforms Gorbachev intends remains to be seen. But his use of the phrase—subsequently echoed in Premier Ryzhkov's report—may help tilt the discussion in the direction of more open debate over reforms and give supporters of greater change the courage to voice innovative proposals. [redacted]

While Gorbachev and Ryzhkov did not use the congress to announce bold new proposals or reveal a precise blueprint for future changes, they moved the discussion forward by expressing support for greater use of finance and credit levers, a more flexible price-setting mechanism to better reflect supply and demand, and decentralization of the supply network to allow producers and consumers to deal directly with one another. Gorbachev's proposal for changes in agricultural procurement policy—which was endorsed by the Politburo at its first announced meeting following the congress—could result in more farm production being sold at prices reflecting supply and demand (see inset on "tax-in-kind" proposal) and might be the

* Traditionally, Soviet leaders have talked about "improving" or "perfecting" the economic mechanism, phraseology that suggests less thoroughgoing changes. They have not used the word "reform." KGB boss Chebrikov broke the taboo last November, and Gorbachev has now legitimized the use of the even more provocative term "radical reform." [redacted]

harbinger of future moves to increase the influence of the market. The handling of the economic reform issue at the congress reinforces the impression that Gorbachev has a long-term game plan beyond the near-term measures already fleshed out and may have viewed the congress as only a beginning of the process for discussing further change. [redacted]

Other events at the congress also suggest that Gorbachev is making progress on reform issues against traditional resistance. Ukrainian party boss Shcherbitskiy modified his earlier hard line against reform and endorsed Gorbachev's proposals to increase the role of financial, credit, and price levers, while Gorbachev protege Murakhovskiy—head of the State Agro-Industrial Committee—made the strongest defense yet of greater reliance on the market. The new edition of the party program published after the congress contained several revisions that brought the document more into line with what we know of Gorbachev's views. [redacted]

Airing Societal and Cultural Issues

Social policy was an evident concern at the congress, and Gorbachev apparently sees it as an important lever in his drive to revitalize the economy.¹⁰ He implicitly condemned Brezhnev's social policy by saying that in the early 1980s "signs of stagnation had begun to surface in the life of society," and Yakovlev—the new party secretary—said that "the social aspect is the most important in the strategy of acceleration." Ligachev made unusually explicit reference to the link between "correct" social policy and continued political stability, and Yel'tsin acknowledged that stability could not be taken for granted. Aliyev stressed the increased importance of societal issues by stating that "at no other congress have questions of social policy been examined so strictly." [redacted]

¹⁰ For a further discussion of social problems facing Gorbachev, see DI Intelligence Assessment [redacted] August 1985, *Gorbachev's Approach to Societal Malaise: A Managed Revitalization* [redacted]

Gorbachev's Tax-in-Kind

While details are still sketchy, the new agricultural procurement policies unveiled at the congress suggest a possibly significant shift from current practice, which requires farms to sell the overwhelming majority of what they grow to state procurement agencies at fixed prices. Gorbachev's choice of the term "tax-in-kind" to describe the initiative will probably evoke expectations of systemic changes. It is a reference to a change in agricultural policy that kicked off Lenin's New Economic Policy in 1921 by significantly expanding the role market forces played in the economy. Under the new program:

- State procurement from farms, Gorbachev stated emphatically, will be fixed for a five-year period. This measure, if faithfully implemented with reasonable quotas, might release the farms from a traditional vicious circle in which increased production is inevitably followed by an increased quota. Similar promises in the past to fix quotas—most recently in the early 1980s—have not been kept.
- Farms will be given more control over produce left after fulfillment of deliveries to the state (and up to 30 percent of their planned deliveries for potatoes, fruit, and vegetables—an increase from the 10 percent share currently allowed). Farms would be allowed to market this produce on collective farm markets—where prices are set by supply and demand rather than the state—or through the consumer cooperative network at mutually agreed

prices. The head of the consumer cooperatives organization indicated in his congress speech that he has been given funds to expand the cooperatives' procurement and marketing network to accommodate such a change.

The program appears to be an effort to address several agricultural problems simultaneously: to increase food production and farm profits without increasing the burden of state subsidies to the agricultural sector. Having a larger proportion of produce marketed outside the state retail network would raise average prices paid for food products. At the same time, however, the consumer might benefit from an increase in the availability of produce, and increased supplies in the collective farm markets would tend to lower prices consumers pay there.

The ultimate effect of the tax-in-kind depends on the leadership's willingness to follow through in the face of problems that have ultimately undermined past efforts to implement similar programs. The key factors to look for include:

- How sharply farms' procurement quotas are cut.
- Whether the regime keeps its promise to freeze quotas for an extended period, particularly when faced with production shortfalls.
- How fully the plans to develop new marketing channels are fulfilled.
- How free the farms are to spend the additional profits they earn.

Despite this seeming unanimity on the importance of the social dimension, few concrete remedies were proposed. Judging by the planned investment allocation for heavy industry and agriculture, no increase in social spending can be expected. The only specifics were Gorbachev's promises—echoed by Prime Minister Ryzhkov and Aliyev—to provide a separate apartment for "practically" every family by the year 2000 and increased allowances for mothers with infant children. Speakers focused their attention on better

distribution of available goods and services to stimulate productivity, a strategy that fits well with Gorbachev's approach of maximizing the return from available resources on the consumer front.

Statements on wage policy reflect an apparent universal dissatisfaction with the wage-leveling policy of the

Brezhnev era and may presage a new initiative in this area:

- Gorbachev and other speakers noted the need to reform a wage system that allowed slackers and alcoholics to be paid at the same scale as productive workers.
- Aliyev noted at his press conference that the party had shortsightedly allowed salaries of workers to approach those of technocrats. His demand for an end to "wage leveling" was echoed by several union leaders and party officials. [redacted]

Law and Order. The need for tighter discipline, an issue raised by Andropov and given renewed impetus under Gorbachev, remained a focal point of the discussion of revitalizing the system, and for some may represent the lion's share of the changes they feel are necessary.¹¹

- Both Gorbachev and Ligachev cited corruption in the Central Asian republics that mandated the interference of the Central Committee.
- Uzbek First Secretary Inamdzhani Usmanhodzhayev bluntly noted that the "canker of demoralization and degeneracy affected many cadres with the greatest power" and called for a strict accounting.
- Gorbachev said that the Ministry of Internal Affairs (MVD), which controls the police, had been improved, but implied that its work was in need of further improvement—a view reinforced by the recent replacement of MVD Minister Vitaliy Fedorchuk.
- Ligachev noted that the police were not "beyond the zone of corruption," and Yel'tsin, in listing especially corrupt Brezhnev-era politicians, mentioned former MVD Minister Nikolay Shchelokov. [redacted]

[redacted]

Alcohol Problem. The antialcohol campaign appeared to be in good political health at the congress, although little new light was shed on its direction or impact. Gorbachev again plugged the campaign in his speech, reporting "in the name of health of society and of man, we have embarked on decisive measures and waged battle on traditions which have taken centuries to develop." While remarks by less prominent speakers on the problem were greeted with little enthusiasm, the congress documents point to the fact that the campaign retains its place of prominence on Gorbachev's agenda. [redacted]

Religion and Nationalism. Problems in controlling the growth of religion, an area singled out for particular attention in many republic congresses, were not highlighted to the same extent at the CPSU congress—perhaps because they were deemed a less appropriate topic for a national congress and would convey the unwanted image of vulnerability that could be exploited in the West. Concern was nevertheless still evident in some speeches. Islam was attacked by several Central Asian speakers. In a statement that indirectly indicated the strength of religion in his republic, the Uzbek First Secretary said that radical Muslims were endorsing the antialcohol campaign as "the work of Allah." [redacted]

The congress speeches reflected concern about nationalism and localism, exacerbated in many regions by Brezhnev's lax cadres policies. A faint undertone of Russian nationalism was reflected in the remarks by Komsomol First Secretary Viktor Mishin and by Ligachev, who spoke of the need to preserve national monuments "dear to the people's memory." Ligachev's point was reinforced by his demands for tighter central (read Russian) management of cadre policy through cross-posting officials. Other comments by senior party officials on the need for centralization of strategic decisionmaking could also indicate that the economic autonomy of non-Russian republics may be further eroded under Gorbachev. [redacted]

Toward Neo-Stalinism?

Some Western commentators and even a handful of Soviet officials have likened Gorbachev to Stalin. Such a comparison could be expected given his image as a strong leader out to override bureaucratic resistance. Gorbachev's approach does, in fact, have more in common with Stalin's than either Brezhnev's standpat approach or Khrushchev's mercurial ad hoc management, although this similarity does not extend to the broad use of repression. Many of the new General Secretary's priorities are also reminiscent of Stalin's: for example, his insistence on discipline, his call for greater wage differentiation, and his intolerance of local bureaucratic empires. [redacted]

Yet, there are sharp differences between Stalin and the present leader:

- Gorbachev's evocation of "radical reform" and his call for greater managerial autonomy run directly counter to the central tenets of the Stalinist system.
- Gorbachev's policy of publicity for party leaders and his consideration of steps to cut down on party privilege run counter to the Stalinist penchant for

keeping the lives of the elite hidden behind a thick wall of secrecy.

- The security organs, despite a broader mission, remain on a leash. KGB chief Chebrikov, even if he is given greater powers to deal with dissent or corruption, is not beyond party control.
- Gorbachev's ideology does not incorporate Stalin's insistence on a homogeneous cultural policy, with its glorification of Russian nationalism. [redacted]

Gorbachev must also operate within bureaucratic constraints that block a return to Stalinism, even if he were to choose to go in that direction. Neither the top leaders nor the bureaucracy would willingly accede to a single strongman. While Gorbachev clearly believes he must be a strong leader to get the system moving, there is no evidence he thinks he can do that against and without the support of the Politburo, party elite, or population. He has, in fact, moved cautiously and made efforts to gain support for his program, probably with the lesson of his predecessors' failures clearly in mind. [redacted]

Ideology and Culture. The congress failed to send a clear signal on cultural policy, reinforcing the impression that the leadership has yet to come to a firm decision on how to deal with the hopes for a liberalization that Gorbachev's election evoked. While Gorbachev criticized Soviet culture's "deafness to the new" and has allowed the release of several controversial plays and movies held by the censors, most speakers were more concerned about the relevance of the propaganda to the regime's program or displayed concern that any liberalization might be exploited. The concern evident in speeches by Minister of Culture Petr Demichev and Estonian First Secretary Karl Vaino about the vulnerability of Soviet culture to Western influences, for instance, raises doubts about any liberalizing trend. Demichev and KGB Chairman Chebrikov took particular note of the danger that the spreading use of VCRs presents to the party's monopoly on films and television. [redacted]

Yel'tsin blamed problems in the cultural sphere on the ineptitude of the Central Committee's Cultural Department. His comments presaged the apparent retirement of 73-year-old department head Vasilii Shauro and the elevation of Aleksandr Yakovlev to the secretarial responsibilities in this area. Yakovlev won a reputation as a pragmatist during his stint in the propaganda apparatus in the 1960s and early 1970s, but it remains to be seen if his promotion portends a more sophisticated approach in dealing with intellectuals. He is, nonetheless, moving aggressively to get a new team of media officials in place. Numerous newspaper and journal editors have been transferred or demoted in the last few months, and more changes are rumored to be in the works. [redacted]

Tying Foreign Policy to the Domestic Agenda

In his report to the congress, Gorbachev appeared to lay the groundwork for further shifts in Soviet foreign policy, stressing new departures rather than the continuity stressed by Brezhnev's congresses, and claiming that the congress marked a "turning point" in foreign as well as domestic affairs. While the practical results of the congress fell short of the rhetoric, Gorbachev made a sharp break with tradition by dispensing with the traditional *tour d'horizon* and centering his attention squarely on the issues of US-Soviet relations and arms control that he and others apparently believe are central to his plans for economic modernization.

Centrality of the US Factor. The contrast in the discussion of foreign policy issues at this congress and the 1981 congress is striking. Brezhnev opened his address in 1981 with a detailed account of Moscow's foreign policy successes and relations with specific countries. Gorbachev's foreign policy comments—a broadbrush treatment that mentioned few states by name—opened with arms control and related US-Soviet issues. The domestic thrust was underscored by Gorbachev's comment that the USSR's "main international duty" was the creation of "viable socialism at home." In contrast to Brezhnev five years ago, he implicitly recognized current limitations on Soviet ambitions in calling for a program that "blends the grandeur of our aims with the realism of our capabilities," an allusion to the threat economic stagnation poses to Moscow's international position—a notion he has raised explicitly in the past.

Gorbachev painted a dark picture of US intentions in the theoretical portions of his speech and commented disparagingly on President Reagan's response—sent on the eve of the congress—to his 15 January arms control proposals. He used the congress, moreover, to step up pressure on US policy by adopting a more demanding position on the conditions for a second summit.

Nevertheless, he set out a clear rationale for continued efforts to do business with the administration. He emphasized the "interdependence" of nations in the modern world—a concept used by some Soviet academics to justify East-West cooperation but never used so explicitly before by a Soviet leader—and he

ended the congress on a conciliatory note, arguing that the USSR could not "slam the door" on the dialogue begun in Geneva.

Covering Old Ground. Gorbachev broke no new ground in his cursory survey of Moscow's foreign relations, giving passing attention to Afghanistan, Western Europe and Asia, regional conflicts, and international terrorism. Charging that imperialism and counterrevolution had turned Afghanistan into a "running sore," Gorbachev stated that Moscow hoped to remove its forces—according to a timetable already worked out with Kabul—but only after a settlement that ensured the end of "outside armed interference."

Gorbachev's description of Soviet relations with "socialist countries" predictably stressed the importance of closer economic ties and Bloc unity, but also acknowledged there were different "roads to socialism." It offered few hints of the degree to which Moscow is prepared to let the East Europeans experiment in building socialism or play a role in international affairs—issues that had arisen in pre-congress debates and in the party program. His speech also included a positive reference to the potential for relations with China but signaled no flexibility on the political issues that currently separate the two countries.

The Third World. Despite his playing down of Soviet support to the liberated states, continuing military and economic aid to clients such as Angola, Ethiopia, Libya, and Nicaragua indicate that Gorbachev is not shying away from key foreign commitments. His failure to highlight armed struggle and internationalism probably reflects his sensitivity to Western criticism of Soviet expansionism—which could undermine efforts to engage the United States on arms control—and an intent to dampen Third World expectations concerning Soviet economic largess. Gorbachev stressed the Third World's dire economic status but did not suggest that Moscow could resolve these problems. While Brezhnev in 1981 explicitly noted Moscow's role in "strengthening the defense capabilities of liberated states" and in major economic projects, Gorbachev was silent on this score.

Gorbachev's rhetoric on Third World issues apparently has raised concerns among several Soviet clients that Moscow may sacrifice their interests. The speeches of Cuba's Castro, Angola's dos Santos, and Ethiopia's Mengistu all contained reminders of the continued need for Soviet "material assistance" to aspiring revolutionary regimes in the Third World. While he must be sensitive to this concern, Gorbachev knows that Castro and others have few alternatives to dependence upon the USSR. [redacted]

Personnel Changes in the Foreign Policy Apparatus.

Personnel changes at the congress reflected Gorbachev's focus on the US-Soviet relationship. Two experts with firsthand experience on US policy—Aleksandr Yakovlev, onetime exchange student to the United States and Ambassador to Canada, and Anatoliy Dobrynin, longtime Soviet ambassador to the United States—were added to the Secretariat. Yakovlev has reportedly provided advice to Gorbachev on how best to play on US public opinion. [redacted]

The specific limits of Dobrynin's foreign affairs portfolio are not yet clear. He already appears to be handling duties that traditionally fall within the responsibility of the International Department, but some comments by Soviet officials suggest his responsibilities might be even broader (see inset). [redacted]

Dobrynin's appointment to this key foreign policy formulating organ on the Secretariat may heighten the traditional rivalry between the Ministry of Foreign Affairs and the International Department. How Dobrynin's responsibilities overlap with those of Foreign Minister Shevardnadze remains unclear, but he is unlikely to achieve comparable political status soon. Dobrynin will probably work under the tutelage of second secretary Ligachev, the senior secretary overseeing foreign policy and a former classmate at the Moscow Aviation Institute in the 1940s. [redacted]

The Dobrynin Appointment

Gorbachev has again demonstrated his capacity for unexpected personnel appointments and his penchant for disregarding institutional affiliations in selecting Anatoliy Dobrynin for the Secretariat. Dobrynin's 25 years of service in Washington make him a political outsider, and his lack of previous party experience leaves him seemingly ill-prepared for the job of Central Committee secretary. Amid continuing reports of a planned reorganization of the Foreign Ministry and earlier reports that Shevardnadze would move to the Secretariat, Dobrynin's appointment raises as many questions as it answers, and suggests that Gorbachev has not yet completed an expected reorganization of the foreign policy apparatus. Several scenarios can be envisioned:

- *Gorbachev may want an experienced US hand to take charge of the International Department to modify its mission—refocusing it away from support to Third World national liberation movements and deemphasizing the ideological rigidity that has led to friction with European Communists and leftists.*
- *Dobrynin may have been brought in to handle a reorganized foreign policy body in the Secretariat focusing on East-West issues and arms control.* [redacted]
- *Dobrynin's move may be a temporary one until Gorbachev can get Politburo agreement to shift Shevardnadze to the Secretariat, at which time Dobrynin will take over the Foreign Ministry* [redacted]

Unfinished Business

The 27th Party Congress strengthened Gorbachev's hand for pressing ahead along the lines he had already laid out in his first year. The trend lines all point in the direction of Gorbachev's consolidation of power and the advance of his policy agenda. Whether it will prove to be the major "turning point" in Soviet history that Gorbachev clearly wants it to be remains to be seen. Those Soviet officials who have measured his progress by the traditional yardstick of political power have apparently been impressed by his success. Those in the Soviet elite who anticipated radical changes, by contrast, have undoubtedly been disappointed. It is uncertain how Gorbachev himself views his progress, although most signs point to general satisfaction with the outcome of the congress. [redacted]

By failing to flesh out his calls for reform, to move boldly on sensitive issues like party privilege and tenure, or to attack the Brezhnev legacy directly, Gorbachev has left in doubt his ability to translate political success into more than a personal triumph. Does he really have a bold agenda for change? Is he moving deliberately to implement some overall game plan, or merely feeling his way? Is continued resistance from the old guard or even among his allies preventing him from taking a more aggressive approach?

- It is possible that—whether by choice or political necessity—he has already shown his hand. Gorbachev may prove content to consolidate his power, stepping back from the implementation of bolder measures he has hinted at for fear of adverse political reaction within the bureaucracy.
- It is possible that the congress came too early in Gorbachev's tenure to permit him to get all his policy and personnel decisions ready for implementation, resulting in his relative caution and the tentative nature of some of the more far-reaching issues he raised.
- Gorbachev could be choosing his battles carefully in order to neutralize political opposition and bureaucratic resistance before taking on more difficult issues. This possibility is suggested by the decisive way in which he removed Romanov, Tikhonov, and Grishin, while letting Kunayev keep his post for now. [redacted]

Whatever the reason for his cautious approach to fleshing out his policy agenda, Gorbachev clearly has unfinished business on both the personnel and policy fronts if he intends to back up his rhetoric with action and establish his credentials as a reformer of the Soviet system. [redacted]

The Political Front. Upcoming Central Committee plenums should give us a better sense of Gorbachev's progress in pursuing more significant change in the system. He needs to add allies and supporters and remove roadblocks in the Politburo, where he made the least progress at the congress (see inset on page 22). [redacted]

[redacted] Bringing in his allies—notably Yel'tsin and Murakhovskiy—would significantly strengthen his ability to press for change. [redacted]

Removal of would-be opponents such as regional party chiefs Shcherbitskiy and Kunayev will be a more formidable test of his power. Of the two, Shcherbitskiy is more secure—having run a tight ship in the Ukraine. So far, he has not been implicated in corrupt activities, and his differences with Gorbachev seem more over foreign affairs, where he may be more in step with the conservatism of the party apparatus. Recently he has echoed Gorbachev's line on domestic modernization, [redacted]

[redacted]

Kunayev is probably a better test case because Gorbachev has already committed himself to Kunayev's ouster—judging from the appearance in the national press of an attack on the Kazakh leader after his reelection at the Kazakh party congress. Gorbachev may use the coming months to get his Politburo colleagues to go along and to line up a successor to Kunayev, who probably has little support in Moscow but is still reportedly quite popular in Kazakhstan. If Kunayev hangs on indefinitely, Gorbachev's ability to recoup the center's loss of power to the regional organizations will be in doubt. [redacted]

*Political Spectrum in Gorbachev's Kremlin:
A Preliminary View*

Gorbachev's Young Turks

*Foreign Minister Eduard Shevardnadze
Moscow First Secretary Boris Yel'tsin
Secretary Georgiy Razumovskiy
Secretary Aleksandr Yakovlev
First Deputy Premier Vsevolod Murakhovskiy*

Younger and more radical members of the leadership . . . probably will lead the charge for reform of economic and political institutions . . . possibly out in front of Gorbachev, although he may be using them to air more controversial positions.

Gorbachev Allies

*Secretary Yegor Ligachev
Premier Nikolay Ryzhkov
Premier of RSFSR Vitaliy Vorotnikov
KGB Chairman Viktor Chebrikov
Secretary Lev Zaykov
Belorussian First Secretary Nikolay Slyunkov
Leningrad First Secretary Yuriy Solov'yev
First Deputy Premier Nikolay Talyzin
Secretary Viktor Nikonov
Secretary Vadim Medvedev*

Allied with Gorbachev on major political and economic issues . . . most came out of Andropov's coalition . . . strongly endorse the modernization strategy, but may be more cautious about systemic reform than Young Turks . . . some, like Chebrikov, also worry about impact of change on social stability.

Independents

*President Andrey Gromyko
First Deputy Premier Geydar Aliyev
Control Committee Chief Mikhail Solomentsev
Secretary Vladimir Dolgikh
Minister of Defense Sergey Sokolov
Minister of Culture Petr Demichev*

Generally side with Gorbachev on his efforts to renew the leadership but are more cautious on policy issues . . . do not owe loyalty to Gorbachev . . . stress "collective leadership" and may act as a constraint on Gorbachev.

The Old Guard

*Ukrainian First Secretary Vladimir Shcherbitskiy
Kazakh First Secretary Dinmukhamed Kunayev*

Regional party bosses most closely tied to Brezhnev and his laissez-faire approach to policy and personnel matters . . . as a rule, highly conservative on ideological issues . . . may harbor reservations about Gorbachev's foreign policy toward the United States.



Signs of tension within the Gorbachev camp over how hard or fast to press change could be of even greater long-term significance and will be a key indicator of Gorbachev's political health. A split in his political coalition, particularly between Gorbachev and Ligachev, would be a major setback. While there appears to be agreement between Gorbachev and Ligachev on the need to renew the leadership, the signs of frictions over the privilege issue could raise a serious dilemma if they signify more than mere tactical differences. Gorbachev could choose to let the matter drop to preserve the unity of his coalition. But if he retreats from a direct challenge to the more ostentatious privileges for the elite—which contributed to the aura of corruption, dissatisfaction, and low morale in the late Brezhnev years—he risks sending the message that the demands for greater propriety for bureaucrats is empty rhetoric. [redacted]

The treatment of the Brezhnev issue after the congress may provide another clue to Gorbachev's intentions. If the issue fades away, Gorbachev will have let drop an important lever for flaying the old guard. Conversely, if he intends to keep up the pressure, we should see a continued assault on the Brezhnev legacy, much as Khrushchev returned repeatedly to de-Stalinization. [redacted]

The Economic Front. What happens after the congress will also provide the real test of Gorbachev's "radical" rhetoric on economic reform. While the arguments favoring caution are strong, the unveiling of yet another bureau for the energy sector only a week after the congress suggests to us that Gorbachev may be moving methodically behind the scenes to carry through his blueprint for streamlining management. The lack of any mention of the imminent reorganization at the congress suggests that Gorbachev may play his cards close to the vest to avoid clear targets for opposition. [redacted]

There will be no shortage of means to measure Gorbachev's progress in pushing his economic agenda after the congress:

- Will the contradiction between the annual and five-year plan be resolved in favor of continued high growth rates for civilian machine building, which is

clearly Gorbachev's preference, or will the obstructionism of the ministries and chronic problems in the construction sector undermine his strategy?

- Will we see the accelerated rates of retirement of capital stock and increased output and utilization of robots, complex machine tools, automated production lines, and flexible manufacturing systems that Gorbachev's modernization strategy seems to demand?
- Will the leadership continue to move on restructuring management? Now that the Energy Bureau has been created, will other such entities be created for transportation and construction, as has been suggested? Will they and the already existing bureaus extend their policy influence? Will their creation lead to the abolition of subordinate ministries as in the case of the State Agro-Industrial Committee, headed by Murakhovskiy, or will they simply add another layer of bureaucracy?
- How will Gorbachev's proposal for changes in agricultural procurement fare? The Politburo has approved this measure, but much will depend on how it is implemented. Resistance could come from ideologues, who view it as a move in the direction of capitalism, and from workers, who—as in Poland—may resent paying higher prices for food.
- Will the regime follow up on Gorbachev's rhetoric about an expanded role for prices and credit by changing the price structure or dismantling or modifying the system of centrally allocated materials? Such changes are probably essential if the provisions on enterprise autonomy are to be fully realized, a point alluded to by several speakers at the congress. [redacted]

Social Policy. The postcongress period may give additional tipoffs to Gorbachev's social and cultural policy. Ligachev's public statements imply a traditional utilitarian approach of harnessing the arts to the party's efforts to perfect the flawed contemporary Soviet man. In a similar spirit, Chebrikov and Gromyko seem concerned with Western subversion, implying

tight party control over popular culture. Gorbachev, however, seems to realize that modernization necessitates greater trust in the technical intelligentsia and broader dissemination of information, thus forcing the regime to give intellectuals a longer leash. His perception has been reflected in the Soviet media—an area now under the control of Gorbachev protege Aleksandr Yakovlev—which have recently exposed Soviet citizens to more controversial subjects. [redacted]

Indicators of movement might be:

- Further release of embargoed artistic work and a greater willingness to allow free expression of both Russian and non-Russian nationalist themes.
- Further relaxation of controls on the free flow of information. Gorbachev implicitly seems to accept this as a byproduct of modernization—for instance, he supports the “computer literacy” program—but others apparently worry about the fallout from a loss of control.¹² [redacted]

National Security and Foreign Affairs. Gorbachev needs to move further in his consolidation of control over this sphere, which he evidently views as crucial to guaranteeing the success of his domestic program. To demonstrate that there is substance behind the flashy style and to maintain his political momentum, he should achieve at least some of the following over the next year:

- Follow through on his intimations of new flexibility in Soviet arms control positions on issues like verification and on-site inspection.
- Carry through the rumored reorganization of the Foreign Ministry and clean out more of the appointees beholden to Brezhnev in the top levels of the Ministry.

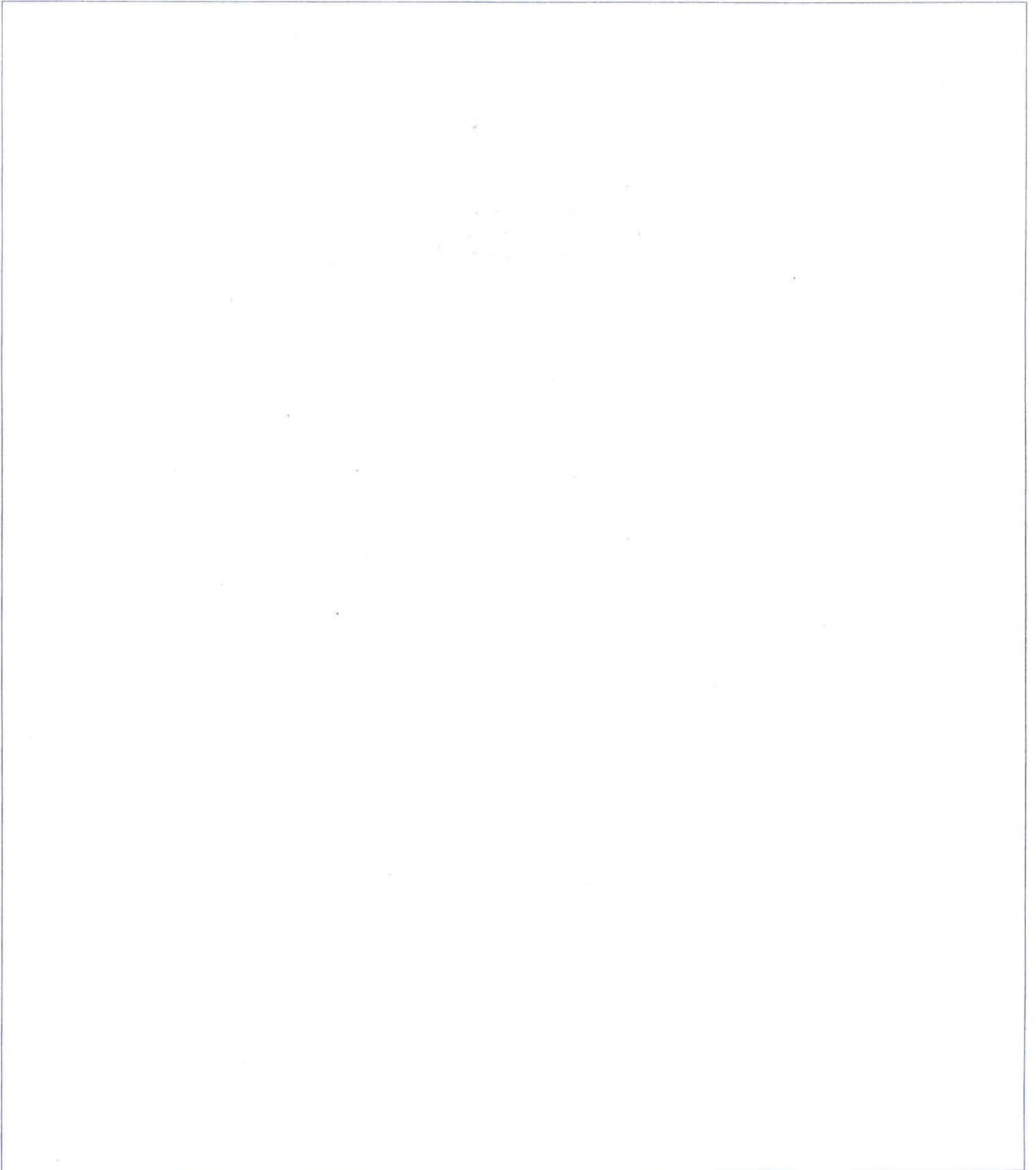
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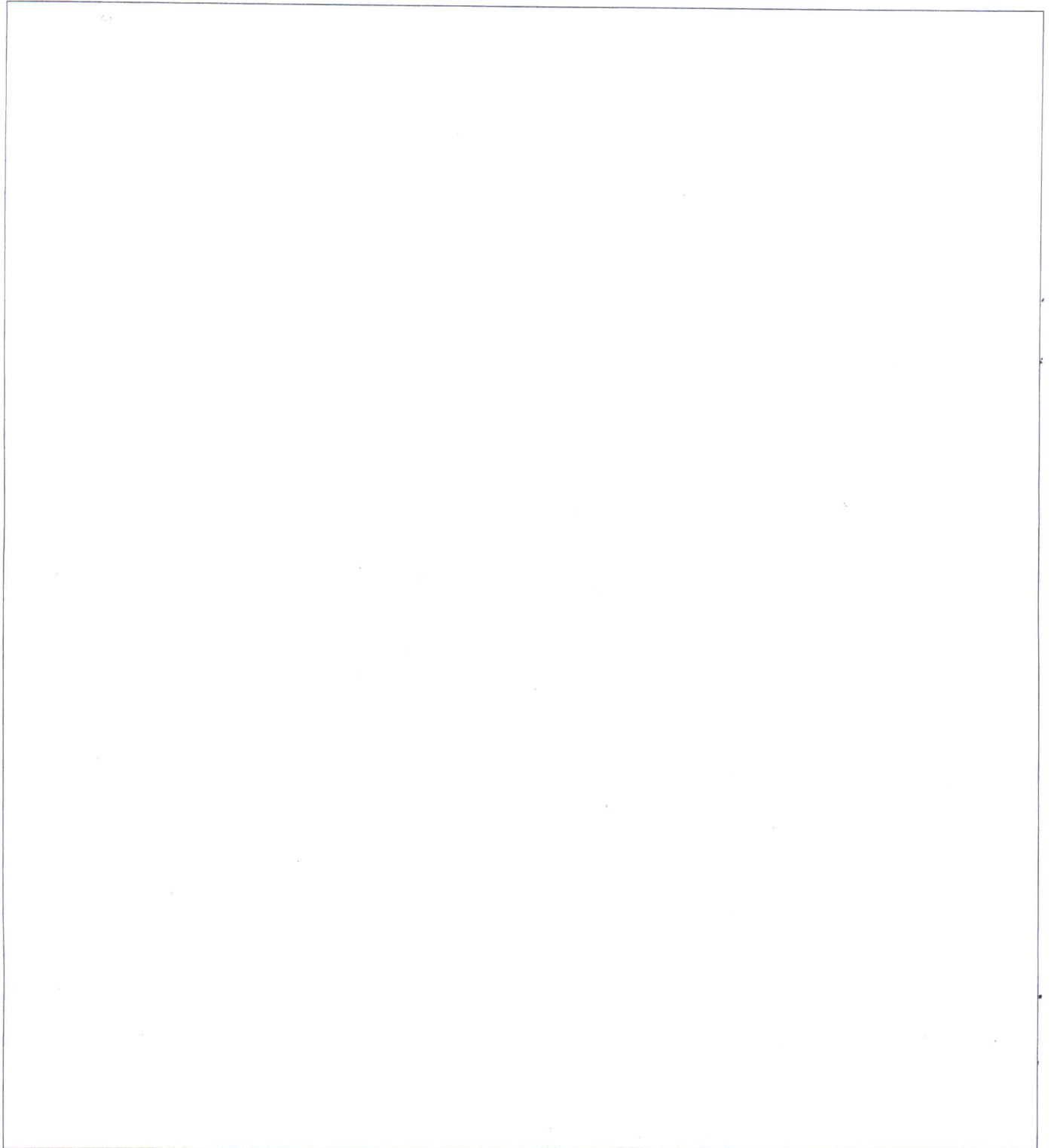
- Strengthen his control over security policy by establishing the national security staff he is reported to have approved, giving him a capability for alternative assessments in the area of military and arms control policy.
- Step up the pace of turnover among the military brass, which has been far less affected by personnel change than the party or economic bureaucracies. Gorbachev needs to put his own man in charge of the Ministry of Defense, which is currently headed by 74-year-old Marshal Sokolov—a Chernenko appointee with little political savvy or clout. [redacted]

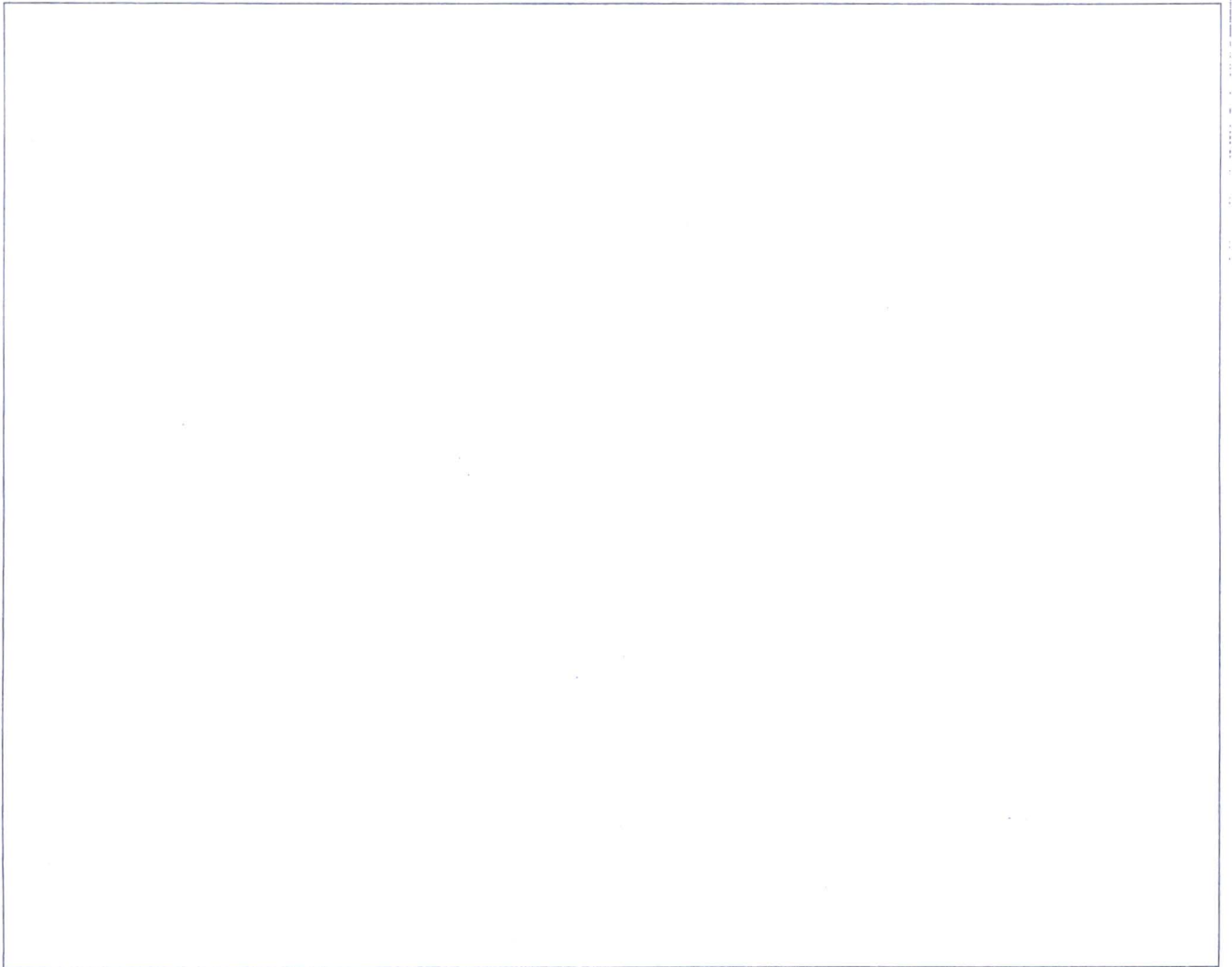
Establishing a Place in History

If the congress turns out to have revealed Gorbachev’s full agenda, the forum will probably come to be viewed primarily as a successful step on the road to consolidating Gorbachev’s power, with marginal impact on the USSR’s economic and societal ills. It will strengthen the arguments of those who claim that he neither wants nor has the ability to significantly change the Soviet system. [redacted]

But, if Gorbachev’s actions conceal a long-term vision and a calculated strategy of deliberate movement, the congress could ultimately prove to be the major turning point that he evidently believes it to be. If he proves to have the will and the power to make headway against his agenda of unfinished business in his second year, he will have gone a long way toward emerging as the most commanding leader since Stalin and the leader who proved up to the bold measures required to revitalize the Soviet system. [redacted]







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