

'REVOLUTIONARY REFORM' IN SOVIET FACTORIES: RESTRUCTURING RELATIONS BETWEEN WORKERS AND MANAGEMENT

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On June 2 1962, on the second day of their strike, the workers of the giant Novochoerkassk Electric Locomotive Factory, joined by the rest of the worker population of this southern Russian town, set off for the city centre some 10 kilometers away. Peter Siuda, then a worker at the locomotive factory and one of the strike leaders who had been arrested early that morning, gives the following account of what followed, based on eye-witness reports. 'Red flags and portraits of Lenin appeared in the columns. The demonstrators sang revolutionary songs. As they approached the bridge over the railway and the Tuzlov River, the demonstrators saw on the bridge a cordon of armed soldiers and two tanks. The column halted and fell silent. The revolutionary songs ceased. Then shouts rang out: "Make way for the working class!" These shouts grew into a mass chant. With precision and tremendous force, they repeated: "Make way for the working class!" The soldiers and **tankmen** did not try to stop the column but began to help the workers over the tanks. The massive current of humanity flowed around the cordon and over the tanks on the bridge. Spirits soared and the demonstrators again took up the revolutionary songs, louder than before, more forcefully, and in unison.'

'This wasn't the programmed celebration of people going to our May First demonstrations,' comments Siuda. 'These were free, unchained workers on the march. They were convinced of the justice of their cause. They were going to defend their rights. And, in the last analysis, they were going to their own Soviet government. I'm speaking of revolutionary songs, banners, portraits of Lenin. This was no game, no holiday spectacle directed from above. They believed. They were going to their Soviet government, to their party, in search of truth. They wanted to be heard and to discuss. And when they arrived, the city party committee was cordoned off by troops. No one came out. No one wanted to speak to them.' In the chain of events that followed, the workers stormed and seized the party committee. When they learnt that there had been arrests, some headed down the street to the police station (adjoining the political police) and stormed it. The order to open fire was given here and at the party committee. To this day, the state has

not revealed the number of workers, their family members and bystanders, all unarmed, killed in this massacre. Their grave-sites also remain a state secret.

In Siuda's account, several elements form the background to these events, which were a part of a larger wave of worker protest that swept the Soviet Union in this period.² The Novochoerkassk events were preceded in the 1950s by the **processes** of public revelation [bringing to "glasnost"] of the crimes of Stalinism, of debunking of the "cult of the personality", of attempted humanization of socialism. The people believed in the genuineness of these processes [. . .] This democratization announced in the 1950s once again took in the people, gave the toilers hope that they could successfully conduct a dialogue with the authorities [. . .] But the party "chiefs" and state leaders, while condemning the "personality cult", left intact **stalinism** itself, the criminal party-state system, [. . .] the voluntarism of the "chiefs", of the leaders and bureaucrats, the arbitrary rule of the Clite and the absence of rights of the masses, the organs of repression, the KGB and MVD [Ministry of Internal Affairs], that remained outside of society's control.'

At the same time, 'in those years, wage rates were being arbitrarily lowered virtually every year. This allowed the bureaucrats to attain the high indications of labour productivity and lowered production costs demanded by the central authorities, without the corresponding capital investments, increased mechanization and automation of production, or organizational changes and qualitative improvement of technological processes. [. . .] Beginning from January 1, 1962, at the locomotive factory, the campaign began anew to lower wage rates in all the shops. They were reduced by 30–35%. The last shop to have its rates lowered was the steel foundry, in May. [. . .] Then on June 1, the central radio announced a sharp, "temporary" rise in the prices of meat, milk, eggs, and other food products.'

The housing and food **supply** situation in Novochoerkassk were particularly bad, 'but even these circumstances would probably not have led to a strike, if a presumptuous bureaucrat bastard had not thrown into the "powder keg" of popular indignation and dissatisfaction the spark of insult, of lordly impudence.' On the morning of June 1, the workers were discussing the news of the price rise in their shops. They were especially angry in the steel foundry. Still, no one was talking about a strike. The director and party committee secretary came to talk to the workers. As they spoke, a woman went by carrying meat pies. Seeing this, the director turned to the workers: 'If you don't have money for meat and sausage, then eat liver pies.' This was the spark that set off the strike: 'And the bastards are even laughing at us!' In a few minutes, the whole factory was shut down by a spontaneous movement that ended **in-the** city centre with the seizure of the party committee building and the massacre of demonstrators and bystanders. Early on in the strike, the workers had tried to notify other towns of their action – to this end, they stopped a passenger train on the

Moscow-Rostov mainline – but the town was sealed off by the authorities with amazing speed.

This article analyzes, not the events of the early 1960s, but the changes that are occurring in the relations between labour and management in Soviet industry today. One can certainly question the appropriateness of beginning an analysis of the current restructuring in the factories with an account of events that look place 27 years ago under Khrushchev. On both the levels of discourse and practice, the 'perestroika' makes the Khrushchev era seem a timid affair. The present Soviet leadership has repeatedly declared its intention to carry through a deep, structural reform of the economy and has explicitly recognized that there can be no such reform without democratization of the state. And although what has been achieved until now falls far short of these declared aims, even if the 'perestroika' were to end today, it would still have been an incomparably more radical episode than the Khrushchev years.

In many ways, the official conception of the 'perestroika' appears aimed not only at improving economic performance but also at eliminating the very basis for Novochoerkassk-type confrontations. 'Probably the most serious social consequence of the period of stagnation in our country,' write two Soviet economists, 'is the alienation of the bulk of the working masses from the management of production and the life of society, the split of society as a whole, of territorial communities, and labour collectives into managers and subordinates, rank and file and bosses, that has taken form and consolidated itself in the consciousness of all social groups. A direct consequence of this is the indifference, not only of the bureaucratic apparatus, but of many workers, toward concrete actions of restructuring [perestroika] on their jobs, in their shops, enterprises, micro-districts, etc. Overcoming this division, the transformation of the worker into a real owner of the socialist property, is the goal both of the restructuring of the economic mechanism now **occurring** and of the growing democratization of **management**'.³

Yet this passage typically directs its criticism at the 'period of stagnation' i.e. the Brezhnev era. By contrast, favourable parallels are being drawn between the 'perestroika' and the Khrushchev period. Indeed, Khrushchev, with official approval, has become something of a hero in the Soviet media. He had shortcomings, we are told, but he was moving in the generally correct direction, only to be cut short by the 'forces of stagnation'. The following examination of the 'perestroika' from the perspective of the shop floor (at least as it has manifested itself until now) does, in fact, give one a certain sense of *déjà vu*. And it leaves one wondering about the significance of the fact that, despite the current preoccupation of Soviet writers and journalists with the past, Siuda has so far been unsuccessful in his attempts to draw the Novochoerkassk events into the realm of 'glasnost'.

WORKER-MANAGEMENT RELATIONS UNDER THE 'COMMAND ECONOMY'

In the past, under the 'command economy', workers enjoyed de facto job security.⁴ In addition, although wages might vary from month to month, a worker's average wage was virtually guaranteed, as long as he or she observed basic discipline. Bonuses, premiums, participation coefficients and other supplementary payments – up to 50% of the **takehome** pay – that in theory depended on quality and intensity of work, were to a significant degree automatic. Instead of wages depending upon norms, as measures of labour, norms were often adapted to ensure a specific wage level, itself only loosely, if at all, related to productivity. Notices on Soviet factory gates commonly promised a **takehome** pay that already included bonuses and premiums.

This arrangement was necessary in order to attract and keep a large enough work force to meet plan targets in conditions of chronic labour shortage and the uneven supply to the enterprise of raw materials and semi-manufactured goods. The 'command system' by creating and maintaining this labour shortage thus afforded the workers a certain bargaining power (they could 'vote with their feet'), even in the absence of trade unions to defend their interests. At the same time, management had little countervailing incentive to economize on labour costs. The enterprise's wage fund came from the state budget and was calculated largely on the basis of past **performance** in such a way as to discourage too-significant rises in productivity (that would penalize the enterprise the next year) and to encourage managers to maintain the average wage and number of workers at relatively higher **levels**.⁵

An additional consequence of this situation was a pronounced levelling tendency in wages within enterprises and sectors. Although the spread in basic pay rates (*tarifnye stavki*) of different skill levels was quite broad, the effect of these differentials was undermined by the various supplementary payments, which, as noted, were to a significant degree automatic and which made up a large, and increasing, part of the **takehome** pay. This levelling tendency was further reinforced by the practice of assigning workers to the higher **skill** levels, regardless of actual qualification, as a means of attracting scarce labour.

The worker's wage thus bore a rather a loose relationship, not only to the intensity and quality of his or her individual labour, but also to the performance of the enterprise. Even if in principle a part of a worker's total annual wage and social benefits depended on enterprise performance – mainly, meeting and surpassing (though only slightly – to avoid an overly difficult plan the next year) gross output indicators – in practice the ministry would often intervene to lower the targets of failing enterprises. After all, it was also interested in the 'success' of its enterprises.

The motivating role of the individual wage was further undermined by the

relative importance of the social wage – free or subsidized goods and services – that, by the definition, bears no direct relationship to the individual labour furnished. The significant growth of the part of the social wage in incomes over the past few decades was a goal of the party programme adopted under Khrushchev, who saw this as a measure bringing Soviet society closer to communism.⁶

Under the 'command system' relations between workers and enterprise management were fundamentally conflictual. Labour under this system, as under capitalism, remained alienated i.e. essentially coerced. And so workers saw their interest in withholding effort; management's task was to intensify it. But this antagonism was tempered by an element of shared interest and collusion. For, to a very large extent, management too was interested in concealing productive potential in order to avoid too-difficult plans imposed from above and to be able to deal with the irregular supply system. Neither side, for example, wanted 'hard' norms. Workers – for reasons common to all alienated labour; management – because 'soft' norms gave it the reserves needed to meet plan targets, especially by the inevitable 'storming' at the end of the month and quarter, in conditions of chronic supply problems and frequent outside demands on its labour force (so-called 'patronage tasks'). Management generally did its best, through legal and often illegal means, and in the face of contrary pressures from central authorities, to give the workers a relatively higher and stable wage. (It is now admitted, however, that because of price rises, 'although the nominal wage in the national economy rose regularly over the past 18 years from [an average of] 122 to over 200 rubles [a month], real incomes remained at the same level and in certain groups of the population even **declined**.')⁷ It also looked the other way at certain infractions of discipline. In return, the workers helped management meet plan objectives by tolerating violations of labour legislation and bad work conditions.⁸

While these characteristics of Soviet labour relations had existed in some degree since the 1930s, this system attained its fullest expression under Brezhnev. For this reason, some workers, only half-ironically, refer to the last half of the Brezhnev era as their 'golden age' – because it was relatively easy then to reach a working agreement with management. But it is important to emphasize that the extreme development of this system was the direct consequence of the regime's refusal to reform the economy, a refusal dictated by the corporate interests of its bureaucratic base as well as by a more general fear of the popular forces a structural reform of the economy might unleash. (The 'Prague Spring' strongly reinforced these fears.) Brezhnev's regime was the bureaucratic regime par excellence. Brezhnev came to power declaring that he, unlike Khrushchev, would 'respect cadres'. Under his rule, the Politburo was eventually reduced to little more than the arbiter of particular bureaucratic interests.

It has been argued, especially by some members of the Soviet intelligentsia, that the workers were privileged under this system and corrupted by it. And

yet, this system, in whose development the workers had had no say, was really directed against their fundamental interest in an efficient economy, responsive to popular needs. It did provide certain social guarantees, but they remained at a mediocre, inadequate level, and the price exacted for them was a heavy one: **intensifying** political repression, tremendous economic waste, widespread corruption, and the moral and cultural, and even physical degradation of society. The workers merely adapted as best they could, and the regime was forced to tolerate the situation in the enterprises as the cost of maintaining power. In theory, of course, the workers had an alternative: they could have sought collective, political solutions to their situation. But the failed wave of worker protest at the end of the Khrushchev period (several years before the appearance of the 'dissident movement') had shown that conditions were not then ripe for a successful popular mobilization. As for their being corrupted, as we shall see, dissatisfaction with the existing economic system is today no less strong among workers than in the rest of the population. If workers have so far shown no particular enthusiasm for the economic reform, it is not because they oppose change. It is rather that they have doubts about the nature of the change that is being offered them.

REFORM MEASURES

The logic (if not necessarily, so far, the practice) of the 'market reform' is to place enterprises under a 'cost-accounting régime' (khozraschet), doing away for the most part with obligatory plan targets, and giving them broad autonomy to pursue profit within a regulated market context. The (central) state will continue to plan and regulate the economy, but through indirect methods, *i.e.* through control and manipulation of such economic (as opposed to administrative) levers as prices, credit, taxation and competitive state contracts.

This reform would end job security, since layoffs and bankruptcies become possible and, in fact, are already beginning to occur, though so far on a limited scale. It would also put an end to wage guarantees, since wages are to depend such more than before on the actual performance of the enterprise, as measured by profit, *i.e.* what is left from sales after various payments have been made. The reform provides for two methods of calculating wages, one more 'radical' than the other (the more radical one being officially preferred but so far rarely applied):

- a) Basic wages are paid as part of fixed costs according to state norms and so are guaranteed. But bonuses and premiums are paid out of profits, after other financial obligations have been acquitted, and so depend upon enterprise performance.
- b) No part of the wage is guaranteed. Wages are paid from what is left after meeting other financial obligations. In this case, the entire wage depends upon enterprise performance, as measured by profits.⁹

The wage reform also includes a review of skill classifications and norms, with a view to encouraging workers to raise their skills and to release hidden

productive reserves. Accordingly, the part of the basic wage in **takehome** pay is to rise to 70–75%, and bonuses are to be made more difficult to achieve. To compensate this, basic wage rates are to rise on the average 20–25% (more for specialists and white-collar workers) over the course of the current five-year plan 1986–90. This rise, however, will not be financed by the state budget but must come from savings realized by the enterprise. That is why the specific timing of the reform's introduction is left up to the **enterprise**.¹⁰

An avowed goal of the reform is to increase wage differentiation in order to enhance the incentive role of wages. To the same end, there has been much discussion about the need to reduce the part of the social wage in incomes. This will be achieved through price reform, the reduction or elimination of subsidies, and the **establishment of** user fees for services that are presently free. 'Levelling' stands officially condemned (as it has since Stalin's time, though perhaps now more insistently than ever) as economically inefficient as well as socially unjust, since, it is claimed, such egalitarianism contradicts the 'socialist principle of distribution according to **labour**'.¹¹

The reform thus aims to tighten things up on the shopfloor. But another goal is to link the workers' well-being more closely to the performance of the enterprise, while the enterprise, on its part, enjoys significant autonomy in the pursuit of profit in a market context. The goal is to create a common motivation among managers and workers to discover and to release productive reserves, to increase individual and enterprise efficiency, and to produce quality goods that meet the needs of clients and consumers.

Those aspects of the reform aimed at democratizing enterprise management follow logically from this goal. In Gorbachev's words: 'The well-being of the worker will depend upon the abilities of the managers. The workers should, therefore, have real means of influencing the choice of director and controlling his **activity**.'¹² This is a politically necessary corollary of enterprise autonomy. Otherwise, the Soviet enterprise director, freed from control from above in his or her disposition of the enterprise's resources and in setting prices, and newly armed with the means (the 'stick' of dismissal and 'carrot' of the reformed wage system) to extract an intensified labour effort, would resemble all too closely his or her capitalist counterpart. This would mean a unilateral abrogation of the old system of labour relations, which had allowed the regime to 'buy' the workers political quiescence by affording them certain social guarantees and means of defence, at the same time as it fostered a collusive relationship with a paternalistic enterprise management. A 'market reform' without enterprise democratization would be perceived by workers as a drastic and unjust undermining of their position vis-à-vis management, and it is not difficult to imagine them responding with massive unrest **and/or** the formation of independent economic (and almost by definition in the Soviet context) political organizations. Thus, for political and related ideological reasons, this is not a real option for the Soviet leaders.

Of course, the thinking behind enterprise democratization is not only political. It also has a more directly economic objective: together with the wage reform and cost-accounting, it is an attempt to overcome the workers' alienation, their indifference to the fate of the enterprise, and to foster a sense of responsibility toward this public property. Such an attitude has been woefully lacking (though not only among the workers, but also in management at all levels). **According** to the director of research institute of the U.S.R.R. State Committee on Labour, 'self-management today is designed to [. . .] awaken people, force them to feel themselves masters of production and of the country [. . .] Self-management is a way of uniting the interests of rank-and-file toilers, social groups and collectives with the interests of **society**.'¹³

There are two main measures of enterprise democracy provided for by the 'U.S.S.R. Law on the State Enterprise (Association)': the election of managerial personnel, and the empowering of the worker collective and its elected labour-collective council to participate in management decisions and in the monitoring of their execution.

Management of the enterprise is realized in conditions of broad openness (glasnost) through the participation of the entire collective and its social organizations in reaching highly important decisions and monitoring their fulfillment, the election of managers, and one-man management (edichalie) in the administration of the enterprise. The pooling of the working people's efforts and the development of their initiative in achieving work results, the instilling of good work organization and discipline in personnel and the raising of their political consciousness are ensured on the basis of self-management.¹⁴

Before examining the present state of labour relations, it is worth pointing out the fuzziness and ambiguity of the law itself. The elected management 'expresses the interests of the state and the labour collective', but the law does not explain what happens when the interests of the state and the labour collective come into conflict. Similarly, the director is elected by the collective but must be confirmed by the higher level agency, which can force a new election if it does not like the winner, although it must explain why. This veto power from above has been variously explained by possible 'excesses' that can occur in the early stages of democracy and by the fact that the enterprise is state property, and the state must ensure its interests.

The law is equally unclear on the powers of the labour collective and its council in relation to management. The appearance, without commentary, of the terms 'democratic centralism' and 'one-man management', notorious since the late 1920s for their authoritarian interpretation by the **régime**, is in itself worrying. The law also repeatedly uses the vague term 'participation' to describe the role of the labour collective and its council in the decision-making process. And it does not really clarify **matters when** the law finally states that 'decisions of the labour-collective council that are adopted within the bounds of its authority and in accordance with legislation are binding for management and the members of the collective.' It is clear neither about the bounds of the

council's authority nor about the other legislation that constrains its power. This absence of clarity cannot but raise doubts, since under Brezhnev labour collectives also enjoyed broad powers on paper; yet it was the rare worker indeed who was even aware of their formal existence, let alone had ever seen them put into **practice**.¹⁵

In a similar **vein**, the call to revive trade-union democracy and to restore the unions' functions as defenders of the workers' interests appears as a strikingly incongruous **element**.¹⁶ The provision for self-management and elected managers, whose aim is to overcome alienation and foster a real sense of ownership, would seem to obviate the need for trade unions. Even if conflict arose between labour and management, certainly the trade unions could be no more effective in resolving them than the labour-collective councils, which after all, are elected by the same people but possess broader powers.

THE IMPACT OF REFORM IN THE FACTORIES

How have worker-management relations in industry changed so far under the perestroika? First of all, it seems that the initial enthusiasm for the election of managerial personnel has waned. The authors of an article on the subject note that significantly fewer articles are being published on the subject, and their tone has become more sober, sometimes even pessimistic. 'Such a shift in mood is the result of the fact that all those who especially wanted to have already tasted this "**dish**".'¹⁷ It seems that not all the workers (not to speak of managerial personnel!) were excited by the opportunity to hold elections and that those that were enthusiastic often found the 'dish' less tasty than expected. Where workers did embrace elections as a means of changing things, of 'putting affairs in order', they only too often had their hopes **dashed**.¹⁸ This leads the authors of the above article to appeal 'not to allow this important democratic principle to be "buried"'.

The new organs of 'self-management', specifically the labour-collective councils, have not fared much better. The head of the Department of Ideological Work of the party's Institute of Social Sciences concluded in mid-1988 that 'the participation of the workers in management still remains a wish, a goal, rather than a reality.' In a survey conducted by his school, only 14% of the respondents said they felt themselves the masters (*khozyaeva*) at work. (39% felt there was no owner, in the sense of someone concerned with, and responsible for, the fate of the **enterprise**.)¹⁹ In another survey of 11,180 workers and white-collar employees of 120 large industrial enterprises from mid-1988, only 2.7% considered the councils to be 'very active'. 52.8% replied that they 'have not yet fully shown themselves,' and 18.3% said they were inactive. 11.1% replied that their enterprise had no council, and 15.3% were unable to give any opinion. V. Ivanov, the director of the Institute of Sociological Research interpreted this to mean that the attitude was one of 'wait and **see**'.²⁰ Another assessment made in the same period found that 'the

Law on the Enterprise is not functioning as it should. Collectives often refuse to take up the broad powers that have been given them. Democratization of management is clearing itself a path through outdated views and indifference only with great **difficulty**.²¹

As for the trade unions, by virtually all accounts, they have not responded to the calls for change: in conflicts between workers and management (not to speak of conflicts between workers' interest and those of the state at higher levels), they **remain** solidly with the **latter**.²² A survey conducted by the research institute of the Central Trade-union Council found that only one or two workers out of every hundred would turn to their trade unions in disputes involving wages. Meanwhile, although 80% of trade-union activists consider that the introduction of the wage reform in their enterprise is not in full accord with the law, the unions nevertheless remain **silent**.²³ In a letter to the trade-union paper *Trud*, a worker from Kharkhov province wrote:

It is no secret to anyone that trade unions don't always take the side of workers. That may not be tragic if it's a minor issue and not one of principle. But when management takes revenge against a worker for criticism, and the trade union is either silent, or worse, supports the administration? I'll soon be 64 and I've often come up against such a situation.²⁴

A trade-union activist from Novosibirsk asks:

Why is it that our trade-union leaders, elected by the workers, again and again find themselves taking the side of the administration? [. . .] Earlier, I would not even have entertained the idea of going to management and demanding that it change this or that decision. But now we have democracy. Why are we not in a rush to use it?²⁵

Of course, if self-management were becoming a reality, if the workers were acquiring a real voice in management and were adopting an attitude of solidarity with the administration in the common aim of improving the performance of the enterprise, the absence of trade-union combativity would not be an important issue. But not only is this not happening—the opposite is occurring. According to published reports from different Soviet sources, the number of conflicts between workers and management has risen sharply, this as a direct reaction to the perestroika as experienced in the factories.²⁶ So far, at least, the perestroika has failed to create in the workers a sense of ownership. Not only has it not reduced their alienation from enterprise management (let alone from the higher levels), but it appears to be intensifying their attitude of opposition, the sense of 'us against them'. It has done this by breaking down the old bases of collusion under the 'command economy' without creating new bases for economically healthy worker-management co-operation.

This surely explains why the calls for the transformation of trade unions into militant organizations for the defence of the workers' interests have not yielded results: in circumstances of intensifying opposition and conflict between workers and management, neither the political leadership nor certainly enterprise management can really be interested in facilitating independent worker organization. Such organization could sabotage the reform

(at least as presently conceived), and perhaps even threaten political stability. In private, and not so private, conversation, Soviet social scientists often advocate a firm hand, if not a 'Cavaignac', to push through the reform. Or else they emphasize the need for a 'responsible democracy' – as opposed to what the people, 'unfortunately' want – a 'democracy of desires'.²⁷ At the June 1988 Party Conference, convened to discuss democratic reforms, the only speaker to even mention the trade unions was the chairman of the Central Trade-Union Council. And the theses published in preparation for the conference said nothing of the labour-collective councils, which, after all, are officially intended as a form of democracy on the enterprise level.

LABOUR UNREST UNDER THE REFORM

An examination of the types of conflict occurring offers a more concrete picture of the situation in the factories. A major source of conflict is the arbitrary and illegal application of the wage reform. A group of electricians from the **Simsk** Assembly Factory in Chelyabinsk province complained to **Trud** about the manner in which management had recently introduced the reform. The director called a meeting of the workers, but 'not to discuss ways of raising productivity, economizing on labour, etc. but to get formal approval for the change that had already been decided without our participation.' In fact, the director announced an across-the-board 20% reduction of bonuses and the demotion of all workers to lower skill grades.²⁸

The wage reform is supposed to be carried out in close consultation with the workers. The review of skill classifications, according to government instructions, takes place in two stages. In the first, a commission of worker and management representatives is established. It looks at each case separately, considering the opinions of those who work with the individual – the other brigade members, the brigade leader, department head – and makes a preliminary evaluation. In stage two, the worker is invited before the commission and informed of his or her proposed classification in accordance with the new Unified Skill-Rate Handbook. If the proposal is a demotion, there must be an explanation, and the worker is provided with the opportunity to defend, through testing, his or her skill level. Only after that, on the basis of all the material, does the director make the final assignment.²⁹ The wage reform is also to be introduced gradually, as the enterprise assembles the conditions and means necessary, in particular those required for raising the basic wage rates, which are to constitute the major part of the total wage, the share of bonuses and other supplementary payments declining significantly.

But managers, in a hurry to show results, often resort to old trusted methods. The Vice-Director of the Department of Industrial Production and Wages of the Central Trade-Union Council has admitted that 'in many cases the procedures of the reclassification are brutally violated. The first stage [. . .] is often totally omitted, and the affair [. . .] begins with an

order that the worker is told to sign. And an order, as we know, is not open to discussion. [. . .] This is in total contradiction with the process of democratization of the entire life of our **society**.³⁰ The arbitrary, across-the-board reduction of workers' skill classifications is an easy way of conforming on paper to the **wage** reform: management indeed raises basic wages rates, but the worker is, in fact, left with the same basic wage as before, while facing new, harder norms and so lower bonuses, or none at all.

To make matters worse, this arbitrary and authoritarian approach is often accompanied by un concealed discrimination against women. At a Chelyabinsk factory making construction materials, all men in the **steel**-fittings department were assigned to the fifth skill grade and all the women to the third. 'This was openly explained by the fact that we are women and that men's skill classification should be two grades higher than women's.' In other cases, women on maternity leave were illegally demoted in their **absence**.³¹

Despite all the talk about democratization, management, at least in the confines of the enterprise, still has the means to impose its will. (Even the official instructions appear to leave the last word with the director). At some factories, the workers were told to look for work elsewhere if they did not agree with the **demotion**.³² At the Gidromontazh Assembly Factory in Tadzhikistan, the director gave the workers a choice: vote to reduce yourselves by one skill grade or else, as a result of the formal review of skill grades, you will be reduced two or **three**.³³ At another factory, 'in the morning, as we came off the night shift, without forewarning, they organized a biased test for us. We were so tired, we couldn't make any sense of it.' At the **Biisk** Garment Factory, 'recently the management has begun to lower skill classifications for insufficient knowledge of the political situation. If a sewing-machine operator cannot answer how many delegates there were at the Nineteenth Party Conference, she can be demoted. Does this mean we should hire journalists who are experts in world politics to work at the **machines**?'³⁴

In the workers' letters, the dominant sentiments are anger but especially deeply wounded human dignity. In the above-cited letter, the workers noted the 'malicious joy' of the managerial personnel, as they administered the test. 'Why such humiliation?' they asked. 'They insulted us,' wrote another group of workers, 'reducing our skill grades, without explaining or asking anything. Do we deserve such a lack of respect for our twenty years of honest labour?' And the workers see this as a test of the perestroika: 'Does the administration really think,' concludes the letter, 'that it can pass off this farce as a restructuring?' 'Is this what perestroika consists of?' 'The whole factory is buzzing: "So this is the **perestroika**!"'.³⁵

In the absence of trade unions that defend them or even inform them of their rights, and given the prevalent authoritarian attitudes and practices of management, the workers' recourse is to the newspapers (which by law have to investigate complaints that are sent to them), to higher authorities (the joint commission of the State Committee on Labour and the Central

Trade-Union Council charged with overseeing the reform is swamped with complaints) and/or the strike (increasingly frequent). The published reports of such conflicts usually end with their successful resolution, through a careful and differentiated review of skill classifications.

We do not know how often such appeals occur and how often they end satisfactorily for the workers. But we do know that many workers remain dissatisfied. For even in the course of a differentiated and careful review of skill classifications, a significant proportion of workers will find themselves demoted, since the reform is attempting to put an end to the common practice of assigning workers to higher skill grades than merited (a practice designed to attract scarce labour). Similarly, it is admitted that the introduction of a 'cost-accounting regime', designed to restore the 'socially just principle' of 'payment according to labour', can, at least in the short run, lead to a decline in wages for 'workers not possessing high skills and diligence'.³⁶

To the workers affected, these reforms really create injustice by making them pay for practices for which they bear no responsibility. As they constantly repeat in their letters, no one ever asked them their opinion about anything. Indeed, in the final analysis, these practices existed so that the régime would not have to ask the workers' their opinion about anything. More generally, these 'past injustices' are a consequence of a planning and management system that was first established in the late 1920s in accordance with the interests of the bureaucracy. Much later, when it became clear that the system had become a major obstacle to further economic progress, the régime, guided by the interests of this same bureaucratic base, rejected structural reform. (It is, of course, an open question to what degree the system will be reformed even now.) The workers' sense of justice demands that if they are being asked to make sacrifices, the same should be asked of the real author of the 'past injustices'. Anyone familiar with the Soviet scene, knows the depth of popular anger at bureaucratic privilege and the workers' sense that they are being made to work for the upkeep of an unjustifiably bloated mass of parasitic 'chinovniki'. But despite the intermittent exposés in the media, there is little sign of this privilege being eliminated or even seriously diminished. True, there is to be a major reduction of staff in the various apparatuses, but at present it seems unlikely that the higher or even upper middle circles of the bureaucracy will suffer.

Typical of this type of conflict was the strike at Ryazsel 'mash, an agricultural machinery factory in Ryazan', in the early fall of 1988. The coverage in *Sotsialisticheskaya industriya* reflects the official attitude (and that of most social scientists) to the issue of 'past-injustices'. The conflict was between a brigade of about 50 electric welders and the new department head. According to the paper, things had been pretty lax here. Former department heads came and went, concerned primarily with meeting gross output targets (the main success indicator under the old system). They bothered little with such matters as economy of labour and materials. As for the workers, their attitude

was 'grasping' and 'selfish', and they behaved according to the slogan: 'After us – the deluge, as long as we get our wages.' (We are not told why they should have cared about anything else, when the department heads and higher management themselves did not look past their bonuses and personal career interests, and when the workers had no say in how the enterprise was run nor virtually any material interest in the enterprise's real contribution to the economy.) Discipline was weak, continues the report, and wages did not correspond to the work done: norms were easy.

This situation had its origins several years back, when the department was being set up and it was hard to find workers. The easy norms were also a way of compensating workers for inevitable losses caused by difficulties in installing and mastering new technology. These circumstances no longer existed. Yet, because of the continued arhythmic character of production in the department, large sums have to be paid for overtime and other 'incentive payments.' 'These are basically young workers,' sadly noted a 'labour veteran', 'but look how they have been corrupted by easy money.' Even stragglers here made more than experienced welders elsewhere. Such were the sad consequences of the 'agreement' between workers and management. This, continues the report, became unacceptable under a cost-accounting regime.

The new department head set out to 'introduce order with a firm hand.' For failure to fulfill certain plan indicators in June and July, the welders were twice deprived of bonuses, even though they had overfulfilled output norms by a large percentage. 'Having grown accustomed to "indulgence", the welders reacted 'oversensitively' to these sanctions and warned the department head not to be so strict or he could expect a strong reaction. In all this, the trade union played no role – the workers acted through their own informal leaders. The department head had expected the support at least of the eight Communists among the workers. But, alas! 'For them, too, charity apparently begins at home'. As the department head stepped up his pressure, the workers retaliated with a slowdown strike, twice turning off the machinery to hold meetings. This is when the department head issued a 'draconian' order that included many harsh punishments (we are not given the specifics), in response to which the workers put down their tools.

The reaction in the rest of the factory was mixed. 'Some unconditionally condemned the brigade. Others, on the contrary, supported it. Yet another group simply could not believe such a thing could be taking place. A fourth group [the managerial personnel?] openly gloated: now they'll see what playing with democracy brings.' The labour-collective and the trade-union councils condemned the strike and threatened to disband the brigade if the strike was repeated. The two most active worker leaders were excluded from the trade union for one year. This means, among other things, a loss of important social benefits. Management was instructed to finally bring labour norms into line with the labour expenditures actually demanded by technology. The article concludes philosophically with the thought that the real losers are the

'perestroika' and democracy. 'The brigade still feels that it was punished for trying to resist arbitrary rule. And the department head is certain that this is how order has to be introduced today. The victims are mistrust and a lack of faith.'³⁷

In the sixth sheet-rolling department of the giant Magnitogorsk Metallurgical Factory, an experiment, which subsequently became permanent, was introduced to fight levelling. Previous forms of 'socialist competition' had had a mainly exhortatory, formal character, with little practical incidence on production. Under the experiment, the bonus is attributed not to each brigade, but to the department as a whole, on the basis of the final results. However, it is distributed in a very differentiated manner among the workers, according to the place their 'coefficient of effectiveness of labour' (based on quality and quantity of output) takes in the competition. The difference between a winner and a loser can be 50–60 rubles. (The average industrial wage in the Soviet Union is 220 rubles).

According to Trud, under the new system, 'no one holds back reserves, hides potential. Now it is not profitable. . . ' Nevertheless, a large part of the workers have demanded an end to this form of competition. One problem is that in calculating results, conditions beyond the workers' control are not considered, such as the illness of a partner or failure of another department to supply the necessary parts on time. But the chairman of the trade-union committee feels that fundamentally the workers 'fear the loss of the "benefits" of levelling [. . .] Frankly, many of us have forgotten how to work intensely, thoughtfully, creatively. And it hurts now to have to pay for that with the **ruble**.'³⁸ The report does not explain what the 'benefits' of levelling are. But one can ask if it is fair to describe these workers as 'corrupted' by the old system? Withholding of effort, while not a trait of human nature, is certainly inherent to alienated labour, which necessarily perceives any intensification of work as an intensification of exploitation, particularly when there is no control over the size and **permanence** of the reward. And so far under the reform, the immediate experience has often been an intensification of labour without a significant rise in wages. In conditions where 'democratization' and '**self-management**' have yet to be translated into reality, 'levelling' is still perceived by workers as an important means of defence against attempts at 'speed-up'. (How much income inequality they would choose even under completely democratic conditions is, of course, another question. Defence mechanisms aside, there are indications of strongly held egalitarian values in the Soviet population.)³⁹

What political leaders, managers, economists and journalists portray as legitimate attempts to eradicate the injustices of the preceding era, workers tend to see as a unilateral abrogation by management of longstanding arrangements regulating their mutual relations. The new arrangements often amount to a deterioration of their immediate situation, and workers have little confidence that they might benefit from them at some later stage. In any

case, it appears to them that they are being asked to bear all the sacrifices. Faced with this, workers, in their turn, are abandoning their tolerant attitude towards managerial shortcomings and the widespread failure to observe legal norms. They are encouraged in this by the political liberalization and the official policy (if not yet the practice) of democratization, which are creating a new sense of what is possible in a contest with management. As a result, conditions and practices which workers once grudgingly accepted are now also becoming objects of open conflict.

In March 1988, several dozen bus drivers at a Saratov transport enterprise struck when their wages for February, following the introduction of the wage reform and cost accounting, turned out to be well below normal. When they complained, they were told to earn the difference. According to the newspaper report, these workers had grown accustomed to levelling and to management's toleration of slack discipline. Typically, the workers had not been consulted about the changes. 'What can you expect,' said one driver, 'if they speak with us mainly from top down? No one gives a damn about our opinion, and management does whatever it likes. Meanwhile, the administrative apparatus is impossibly bloated.' But the wage dispute was only the spark that ignited the strike. Management's unilateral action over wages allowed the release of years of pent-up dissatisfaction over the drawn-out construction of a new building, overcrowding, poor ventilation and lighting, failure to modernize the repair base, the shortage of spare parts and the poor quality of repairs. A party meeting placed the blame with management, the trade union and the party organization, who in the past reconciled themselves to indiscipline and poor work and now failed to prepare the workers for the shift to cost accounting. It was decided to organize elections to management at all levels, to prepare more carefully the shift to new conditions and to work off the lost time outside of regular hours, the wages to be paid to the Children's Fund (a national charity).⁴⁰

Overtime and its major cause – the arhythmic character of production, with long bouts of idle time followed by mad storming – have always been an important source of worker dissatisfaction under the 'command system', unable to assure regular supply of materials to the enterprises. Overtime in the Soviet Union is by no means always paid at higher rates, as the law prescribes (enterprises would greatly exceed their wage bills), and even when it is, it does not always make up for wages lost during periods of enforced idleness. More important, the irregular work hours wreak havoc with workers' lives. The overtime (regulated by law) is often illegal to boot. Nevertheless, overtime was usually begrudgingly accepted by workers under the old system of labour relations and only now is it becoming a major source of open conflict.

In December 1987, the workers of the Yaroslavl' Motor Factory struck for seven days. Management had compiled a work schedule calling for workdays of seven hours and 50 minutes and fifteen 'black Saturdays' over the course

of 1988. In past years, despite some grumbling, the workers had accepted similar schedules. This time it was different. They held 60 local meetings that yielded 60 resolutions, all calling for an eight-hour day and only eight Saturdays. (The ten minute difference in the workday over the course of a year equalled the seven extra Saturdays in the administration's schedule). Nevertheless, the labour-collective council – chaired by the director himself! – ratified management's schedule, with only one opposing vote. So did the trade-union committee – without comment.

It was after this that the strike broke out. The next day the director met with the workers assembled in the yard. He explained why supply problems made fifteen 'black Saturdays' necessary. From the crowd came shouts: 'That's your concern!' He explained that the cafeteria would not be able to manage. From the crowd: 'That's your concern!' He explained that public transport could not cope and that the enterprise would have to pay 100,000 rubles in additional transportation costs. 'That's your concern!' Workers who took the floor told the director that he had had a whole year to prepare conditions for a normal work schedule but had done nothing. As for the transport question, the factory had buses that stood idle in the evenings. Even the **intervention** of the vice-minister did not sway the workers. 'When are we supposed to rest?' asked one. 'And what about our families?' 'You say you are defending our interests?' interjected another worker. 'You are thinking more about the motors [. . .] And we are there working day and night at the end of the month. That's illegal!' 'But you get paid more for that,' replied the director. To this a worker retorted: 'We're idle at the beginning of the month and then [to make up for lost earnings] we get bonuses.'

The meeting voted unanimously for the workers' '8-8' schedule. 'A clean split has occurred,' concluded the district party secretary. 'The workers versus the general director, and there is no intermediate link.' The trade union continued to side with management and applied pressure on the workers' informal leader, Makarov. But he explained: 'It isn't just a question of rest. When we say an eight-hour day, we mean a real shift, with no idle time. Now, idle time makes up 9% of the shift. An eight-hour day would give management an incentive to intensify labour. As things stand now, it doesn't care, since the lost time can be made up on days when we aren't supposed to work.'

The labour-collective council decided to call a meeting of worker delegates. The hall was packed. Management explained that the plan targets could not be met with the '8-8' schedule. But according to one worker, less worked Saturdays would leave more time for regular maintenance of the equipment, which is old and tended to only after it breaks down and stops production. But there was also the social aspect: 'Many tie the demand for the eight-hour day with faith in perestroika'. It was a question of new methods of work, discipline, renewed technology.

The meeting lasted five hours, and the vote was finally 359 vs. 296 for management's schedule. Applause was thin and it came mainly from the

front rows (where management's people were seated). It is possible, noted the *Izvestiya* reporter, that management and the trade-union committee had applied pressure before the meeting. But more likely factory patriotism won out. After the vote, Makarov took the floor and proposed that in 1989 there would be a shift to the eight-hour day. Someone else called to put a total end to illegal Saturdays. Both resolutions passed **unanimously**.⁴¹

In a poll conducted by *Izvestiya* after the publication of this report, 69% of the worker respondents approved of the Yaroslavl' workers' refusal to work 'black Saturdays', though half of these said they would have yielded in order to save the plan. All felt that the cause of the strike was dissatisfaction with the organization of labour – the irregular character of production, the poor quality of materials and of the goods produced as a result of **this**.⁴²

This strike shows forcefully that workers hold management (at all levels) responsible for the poor state of the economy. This is quite a different understanding of the situation from that which one usually hears from social scientists, managers and journalists, who tend to lay a good share, if not all, of the blame on the workers' indolence, indiscipline and corruption. Some of this undoubtedly exists. But most workers sincerely wonder how they could work better in the given circumstances and they see the criticism directed at them as a way for managers to cover up for themselves. For example, a foreman at the diesel factory explained that 'a regular pace of production determines everything else. But it does not exist. You work Saturday and Sunday. And then there is no work on Monday. In such circumstances it makes no sense to punish workers for lateness or absences, since idle time can last days.'⁴³

The strike at the Yaroslavl' factory illustrates how the 'perestroika' has not only not fostered beneficial work-management solidarity but has actually deepened the gulf between the two to an unprecedented degree. In the director's words: 'The essence of the perestroika is that there should not be "we" and "they", as is the case here now, but that the collective be united.' The problem at the Yaroslavl' factory, and at most others, is that the organs of self-management, provided for by the Law on the State Enterprise, are not functioning as prescribed. At the diesel factory, neither the labour-collective council nor the trade-union represented the workers. The council, chaired by the director himself, was clearly a tool of management, which thought it could continue to run things in the old authoritarian way. The workers had other ideas. However, they did not demand that genuine self-management be introduced, so that they could directly implement the changes they wanted. Rather they united behind an informal leader against management in defence of their interests, refusing responsibility for the administration of the factory.

This refusal is, in part, due to the workers' perception – generally a valid one – that management is not prepared to give them any real say in running things. They, therefore, see 'self management' as a trap to get them to take responsibility for failures of management and of the economic system as a whole. The leader of a brigade of mechanics, chairman of the

labour-collective council of the Kamaz Auto Factory, wrote to *Trud* in June that,

although all managerial personnel in the factory are elected, so far this democratization is more external than deep. In its relations with the labour-collective council, management, as before, adheres to the military code: an order from a higher rank is not open to discussion. For example, the administration orders the workers to appear on their days off, and neither the labour-collective council nor the trade union even try to protest, even though we have passed the limit of [legally] allowed overtime.⁴⁴

At the Perm' Motor-Repair Factory, the director was also chairman of the labour-collective council, which had met only once in its nine months of existence. Workers here struck over delayed payment of wages. Asked why they would act thus against their own interests, when the new cost-accounting **régime** means that the losses from the strike come out of their own pockets and when they now had their own organ of self-management, a turner replied simply that the 'workers don't believe in that **council**'.⁴⁵ As the letter from Kamaz indicates, elections have not given the workers real power. In the case of lower managerial personnel, at least, the elections are often 'organized' by the director to make sure his or her candidates get through, and, in any case, the director retains the final **say**.⁴⁶

Political leaders and the press often lament the workers' passivity in face of the 'perestroika', attributing this to the corrupting effects of the old system. But the workers' apparent indifference to self-management is based much more on their disbelief in the possibility of making it a reality under the present **régime**. When they have decided to give it a try, the results have been disappointing. In 1987, at an electoral meeting of the trade-union council of the **jewellery** department of the Moscow Jewellery Factory, in the spirit of the 'perestroika', the workers let it be known that they 'were sick of working in the old way', in conditions of disorganization and **arhythmic** production, requiring massive overtime and **storming** that were turning them into nervous wrecks. So they elected a new trade-union committee with the mandate: 'Put the place in order'.

The committee began by holding elections for department head. The workers saw this measure as real. It 'gave them confidence in their own forces, showed them that they can, all the same, influence matters in the department.' But at a union meeting a year later, the gulf between workers and management was deeper than ever, as the workers complained about norms, wages, skill classifications. What happened? According to the author of the report, 'the workers demanded changes and were ready to actively participate in them [. . .] But their insistence apparently irritated the managers. The latter still did not have answers to many of the production problems. Instead of calming the workers and explaining the situation, they used the old trusted methods of command: your business is to do what you are told.' 'You know,' one of the workers explained,

after the election of the department head, when we saw that we can run things in our department, our spirits rose and the desire to work better appeared. But when we understood: the administration had been playing at democracy with us. It **turns** out that we are the masters more in theory. They listen to our opinion when it coincides with the boss's, when it's in their interest.

And so at the latest union election meeting, there was total indifference. People had lost interest in what was occurring in the hall; they kept glancing at the exit, in a rush to get to the **cafeteria**.⁴⁷

Management's reluctance to give up or to share power is not surprising, given the constraints and pressures placed upon it by the still largely unreformed 'command' system. Prejudices and other considerations aside, to give the workers a real voice in these conditions is to make a manager's hard life even more complicated, to deprive him or her of the flexibility (a familiar theme to Western ears) needed to meet tight plan objectives in conditions of irregular material supply (still administered from the centre).

But management's resistance is not the only reason self-management is having trouble getting off the ground. For even where the labour-collective councils are genuinely participating in enterprise decisions, the workers often remain indifferent and mistrustful. In an interview to Trud, the chairman of the labour-collective council of a Leningrad machine-construction factory, himself a turner, painted a picture of genuine council involvement in enterprise management, including negotiations with the ministry over various plan targets. Still he complained of indifference and lack of faith in democracy among the workers. They take their complaints to the party, to the soviet or to the press, rather than to the labour-collective council, a workers' organ. This is because 'they do not know what we can achieve. They do not believe that the labour-collective council is a real **force**.'⁴⁸

The workers' continued mistrust of 'self-management' even in those rare cases when management welcomes their genuine participation, has the same source as the managers' general reluctance to give the workers a real say: the continued power of the ministries and other external bureaucratic forces that still largely determine the fate of the enterprise. In these circumstances, even if management is prepared to share power, the workers still perceive a trap to get them to accept responsibility for something they cannot effectively control. This emerges clearly from an article in *Komsomol'* skayapravda by a young mechanic-assembler, a brigadier at the Kazan' Motor Factory. This is one worker who is definitely enthusiastic about self-management. But he finds himself constantly frustrated by the unreformed system:

The perestroika is for all without exception! But, all the same, let's look the **truth** in the face. As long as the ministries, as is stated in the Law on the State Enterprise, bear full responsibility for the branch, the most militant labour-collective council will inevitably find itself against a brick wall. You can't bear responsibility without at the same time taking rights away from the enterprises. And so too, our labour-collective council does not 'make the weather' in the enterprise. Not because it doesn't want to - because it can't. . . How can you ask me to feel myself the master, when practically nothing depends upon **me**?⁴⁹

The article is appropriately entitled 'We're Sick of Being Pawns.'

At the Ural'mash Machine-Construction Factory, the labour-collective council, along with management, were successful after heroic efforts in resisting an attempt by the ministry to impose new, impossibly high plan targets (in the new form of a 'state contract'). At Ural'mash, with its liberal director, the labour-collective council appears to be genuinely participating in management. But, notes its chairman, a brigadier, of late the council has been receiving letters from the councils of client and supplier enterprises, asking for special favours, such as extra deliveries and special parts not specified in the contracts. In other words, the councils are becoming a 'democratic' variant of the old 'pushers' sent out by management. Instead of coming with complaints and proposals about production, they are acting as the errand boys of management in an unreformed management system.⁵⁰

A roundtable discussion on the labour-collective councils in the coal-mining sector made clear that the major problem facing the councils is that the law itself is vague on the relative powers of the councils *vis-à-vis* the ministry and that, in practice, the ministry rules. 'The labour-collective council has no say in planning for the enterprise. It all comes from above.'⁵¹ 'The ministries are violating right and left the rights of the enterprises,' states the director of the State Labour Committee's research institute.⁵² Indeed, a new form of conflict has emerged recently: labour-collective council against ministry, over losses to the enterprise caused by apparently illegal ministerial actions.⁵³ Besides the imposition of new 'states contracts' in mid-stream, complaints include ministerial refusal to extract fines from its own enterprises for non-respect of contracts when the losses are incurring to another of its enterprises ('It's all in the same family'), and the attachment of indebted and failing enterprises to more 'profitable' ones.⁵⁴ Such 'levelling' practices by the ministries stand officially condemned, but they largely continue, despite reports of bankruptcies.⁵⁵

One reaction to this situation, one that is reported most frequently by the press (that has been exhorted recently by Gorbachev to support the reform), is for the labour-collective councils to demand real enterprise autonomy: only thus can self-management become real. But one suspects that this reaction comes mainly from enterprises that would be favourably situated in a market reform, because of the type of goods manufactured, geographical location, technological level of equipment, etc. (Actually, given the fact that resources are still centrally allocated, most directors are not eager to be freed from 'state contracts'.)⁵⁶ Thus, the secretary of the party bureau of a Tallin machine-construction factory describes how the labour-collective council successfully beat back efforts by the ministry to shift the factory to a newly created trust. 'We were united and had rationality on our side. We were accused of worrying about our own profits. But we fought for the cost-accounting regime, for the flourishing of our enterprise that produce goods that are in demand – and thus for the interests of society.'⁵⁷


This is clearly the attitude of a part of the skilled workers, especially the younger, well-educated ones who are brimming with energy and initiative and have been straining to put these to productive use. The young brigade leader from the Kazan' Motor Factory cited earlier suggests the leasing of the machinery to the workers. But despite the official and media support for these views, they do not seem to have the support of most workers, who have serious doubts about the market as an agent of rationality and social justice. The Kazan' brigadier, after calling for enterprise autonomy and the leasing of machinery, continued:

But there are people today who are energetically pushing public opinion to condemn to worker-'graspers' (khapugi), who feel no **embarrassment** in talking about high wages. They shout: mercenary interests, petty philistine passions! Come on! Who is it then that moves our economy, that is the main support of production, if not the 'grasper', the one who breaks all norms, who is keen-witted and full of initiative, taking care of his means of production—his lathe and **instruments**. Of course, today's transitional situation does not please the lazy yes-man, who always keeps one eye on management: 'At your **service!**' But it's a case of 'either — or'.⁵⁸

WORKERS AND SOCIALIST DEMOCRACY

When there is no immediate prospect of democracy at the centre of power (and unfortunately, this is still the situation in the Soviet Union), this way of seeing the alternatives — either the market and the enterprise as guarantors of efficiency, or centralized bureaucratic management and continued waste — comes naturally to those who impatiently seek a creative outlet for their energies. But ultimately this is a dead end. Self-management and the market in a non-democratic political context are in fundamental contradiction. For when workers' power is limited to the enterprise level, they use it to guarantee their jobs and salaries. This means there can be no real labour or capital markets. This is one of the lessons of the Yugoslav **experience**.⁵⁹

Most Soviet workers are wary of the market as the ultimate arbiter of rationality and **justice**.⁶⁰ V. Vishnyakov, a law professor at the Trade-Union institute, expressed these fears when he called recently for genuine democratization of trade unions and their real participation in state policy-making:

The cost-accounting and self-financing **régimes** in the enterprises, the new labour legislation, have made more acute the problem of the social protection of the individual: **will not the humanism of socialist principles be sacrificed in practice on the altar of economic** 

In the current Soviet political context, such concerns are usually condemned as reactionary advocacy of 'levelling' and 'social dependency'. But they are real fears and they are **greatly** exacerbated by the absence of genuine democratic control over the reform, either at the central or the enterprise levels. And a '**Cavaignac**' at the helm, rather than facilitating structural reform, ultimately only makes its introduction more unlikely, because it deprives the reformers of the support of the working class, the only political base

potentially strong enough to carry through the reform against the resistance from within the bureaucracy.

The concerns of Soviet workers do not mean structural reform of the economy and democracy are incompatible. All the evidence shows that Soviet workers want reform, they want to 'put the economy in order'. Nor do their concerns mean they would reject any application of the market mechanism in the economy. Rather, it is a **question** of whether the market will impose its criteria of efficiency and **justice** on society or whether society will subordinate the market mechanism to the type of development it collectively chooses. For the latter to be the case, the central state must retain key powers to plan and to regulate the economy. Despite past Soviet experience, this need not be a formula for continued economic waste and stagnation – if the state is democratic, *i.e.* freed from bureaucratic control. Only when national economic policy is decided in a democratic context can constraints placed upon enterprise autonomy cease to appear as external, to provoke resistance and the concealment of reserves.

The sincere proponents of self-management in the Soviet Union see it as a way to resolve the fundamental problem of the Soviet economy – the coherent linking of the interests of rank-and-file workers, managers, social strata and regions with each other and with the overall interests of society. The reform so far was patently failed to do this. It has deepened the divisions, and the level of conflict has risen sharply. The evidence analyzed here points to the undemocratic context in which the reform is being decided and promulgated as the underlying cause of this failure. The conclusion that presents itself from Soviet experience with reform to date (and from the experiences of other Soviet-type societies) is that for self-management to be effective, it must extend to all levels of economic decision making, including decisions about the character of the reform and the economic system it is designed to create.

What has been happening in Soviet factories can be seen as a qualitatively new, if still limited, stage of labour activism. So far the workers have organized only episodically around informal leaders and for essentially local ends. But before the 'perestroika', strikes involving entire enterprises (and the bulk of Soviet workers are concentrated in huge factories) and lasting several days were rare events. The main factors that have contributed to this change are the political liberalization, the absence of genuine democracy (the main reform measures to date all been dictated from above, albeit with public discussion of the details), and the introduction of a wage reform that is putting an end to the collusive ties with management and their corrupting influence on worker consciousness.

As – and if – the market reform progresses in its present fundamentally top-down manner and is more concretely felt by the workers, one might see developing more permanent, large-scale, independent working class organizations. There are some signs of this happening already. In Yaroslavl,

a 'workers' group' composed of representatives of the major industrial enterprises has been formed as part of the city's 'Popular Front'. (This is an independent movement of citizens that arose at a mass meeting on June 8, 1988 to protest the 'election' of the unpopular Yaroslavl' provincial party committee first secretary to the 19th Party Conference in Moscow.) The moving force behind the formation of this group was the workers' club of the Yaroslavl' Motor Factory, formed (**against** the opposition of management and the party committee) following the seven-day strike over the 'black Saturdays'.⁶² A similar 'workers' group' exists in the town of Andropov. Toward the end of 1988, in the Lithuanian city of Kaunas, 300 delegates from 70 enterprises founded the Kaunas Union of Workers. Its basic goals are defined as the 'struggle for restructuring of the trade-union committees in the enterprises, for the corresponding restructuring of the content of the local factory newspapers, and for the protection of the rights of workers against managerial arbitrariness.' Similar unions were being set up in Vilnius and Klaipeda.⁶³

A price reform, without which there can be no market reform, might give a major push to such organization. Opposition to it is very widespread in the population, and the authorities are, accordingly, refusing to say anything **precise** about it, while they discuss the matter in secret. This could serve to unite workers on a larger scale in defence of their interests, since, unlike the wage reform, it would be a measure promulgated from the centre. Rather than mean an end to the perestroika, such a development would set the scene for a genuinely revolutionary restructuring in the Soviet Union, one in which the initiative comes from below, the only one that has a realistic chance of succeeding.

Are contemporary Soviet workers really capable of independent political activity? Needless to say many inside and outside the Soviet Union are sceptical about this and even doubt the workers' interest in socialist democracy. But the events of 28 years ago in Novochoerkassk have something to tell on this score. Perhaps the most striking thing about them is the level of class consciousness displayed by the workers. This was a spontaneous movement of workers, with no participation of the intelligentsia. Despite provocations, it was a sober movement, without 'excesses' on the workers' part - they occurred only on the side of a **régime** that showed how much it feared the workers when they took soviet power seriously. There was none of the 'anarchism' supposedly inherent in the Russian 'masses'. These people identified themselves and their movement with the working class. They tried to establish contact with their comrades in other cities. **They** claimed the Soviet revolutionary tradition as their own.

And yet, Novochoerkassk had no traditions of working class struggle. It was and remains a backwater provincial town that at the time of the revolution had no industrial workers. All of its large-scale industry dates from the 1930s and after. According to Siuda, the working class consciousness and traditions

and even many aspects of the strike itself – so reminiscent of strikes in Tsarist Russia – came from the workers' schooling, from books and films and, of course, from their shared situation. Isaac Deutscher's discussion of this issue comes to mind:

The fact that the rulers and leaders of the Soviet Union have never stopped evoking their revolutionary **origins**, has also had its logic and consequences. All of them, including Stalin, Khrushchev, and Khrushchev's successors, have had to cultivate in the minds of their people the sense of revolutionary continuity. They have had to reiterate the pledges of 1917, even while they themselves were breaking them; and they have had to restate, **again** and again, the Soviet Union's commitment to socialism. [. . .] The educational system has constantly reawakened in the mass of the people an awareness of their revolutionary heritage.⁶⁴

Novocherkassk was only partly about prices and wages. On a deeper level, it was about socialist democracy, something the workers had never experienced but which they had no difficulty in understanding. Siuda describes the atmosphere in this way:

The time – excuse me because this might sound blasphemous in view of the tragedy that followed – but the time was a happy one, a time of spiritual emancipation, a full emancipation of the protest that had surely been accumulating in everyone's hearts. It was short-lived, but it was still freedom, independence. You must understand that we were always living with the slavish feeling: careful. what will the authorities [nachal'niki] think, say? . . . If you ask any worker for a chronological account of the events, they couldn't tell you. Because we felt so strongly our freedom that we lost our sense of time. I never again felt such total emancipation. Personally, I don't feel it now either. Because I see the reality and not what is being said or written in the papers.

A group of workers from the Urals, after reading Siuda's essay on the Novocherkassk events, wrote him the following letter dated June 17, 1988:

We have read your letter about the tragedy of June 1–3, 1962 in your town and we express our sympathy and solidarity. We want to send this information to some paper, to *Komsomol'skaya pravda*, for example. The workers, on the whole, believe the account of the facts in your article, but for the good of the cause, we would like to receive personally from you a confirmation with a brief account of the course of events. This will be a document of sorts against the local bureaucrats, opponents of the revolutionary renewal, in whose hands, unfortunately, the real political power rests. This is a treacherous class of exploiters of the toilers, that uses as a cover that which is most sacred to the working class – Marxism – and passes itself off as the true representatives of the party of the working class, of Soviet power. of the people, and against them one must fight **skilfully**, with their own arms. Of course, after this deception of the workers. unprecedented in the history of humanity, it will take a certain amount of time for the course of democracy and glasnost, to yield fruit: the dictatorship of the working class, its full power through its own institutions – the soviets. in their Leninist understanding. We are sending a letter to Gorbachev, N.S.. signed by a group of workers of the metallurgical factory. In this connection, we would like to know your critical comments on this letter and your advice on the methods of struggle against the enemies of the working class – the bureaucratic bourgeoisie, or, as Lenin called them. the sovbour.

We await your answer as soon as possible. It is **needed** for our struggle for the cause of the working class.

Notes

1. The following is from an interview I conducted with Siuda in the summer of 1988 as well as from his unpublished essay that has been circulating in the 'informal' movement.
2. See. V. Belotserkovskii, 'Les soulèvements ouvriers des années soixante,' *L'Alternative*, no. 3, March 1980, pp. 28–31.
3. V.I. Gerchikov and B.G. Proshkin, 'Vybornost' rukovoditelei: pervyi opyt, pervye problemy,' *EKO*, no. 5, 1988, p. 90.
4. See my article 'Economic Reform and Democracy,' in *Socialist Register* 1988.
5. 'Norma truda v novykh usloviyakh khozyaistvovaniya,' *Sotsialisticheskii trud*, no. 5, 1988, p. 38; V.I. Shcherbakov, 'Kardinal'naya perestroika oplaty truda,' *EKO*, no. 1, 1987, p. 38; G. Konstantinov, 'Perestroika zarplaty—chto yei meshaet,' *Agitator*, no. 13, 1988, p. 17.
6. W. Brus, 'Utopianism and Realism in the Evolution of the Soviet Economic System,' *Soviet Studies*, vol. XL, no. 3, July, 1988, p. 440.
7. S. Minaeva, Director of the Central Trade-Union Council's Department for Social Development, in *Trud*, Jan. 12, 1989.
8. See, for example, V. Dement'ev and Yu. Sukhotin, 'Sobstvennost' v sisteme proizvodstvennykh otnoshenii sotsializma,' *Kommunist*, no. 18, 1987, p. 71; 'Economic Reform and Democracy . . .,' pp. 139–42.
9. *Sotsialisticheskii trud*, no. 2, 1987, pp. 57–96, and no. 3, 1987, pp. 54–66.
10. V.I. Shcherbakov, 'Kardinal'naya perestroika oplaty truda,' *EKO*, no. 1, 1987, p. 37–52.
11. See D. Mandel, 'La perestroika at la classe ouvrière,' *L'homme et la société*, winter 1988–9. There has been no serious debate about what this principle should mean in practice. It goes without saying that it is open to diverse and contradictory interpretations. For a discussion of this, see A. Zimine, *Le stalinisme et son 'socialisme riel'*, Paris: La breche, 1983.
12. *Pravda*, Jan. 28, 1987.
13. Interview with E.G. Antosenkov, *Nedelya*, no. 49 (1497), 1988, pp. 6–7.
14. *Pravda*, July 1, 1987.
15. On this, Antosenkov stated: 'If we are to be honest and not close our eyes to reality, before there were words about the participation of toilers in management rather than their real participation,' *Nedelya*, no. 19 (1497), 1988, p. 7
16. See, for example, the speech of Shalaev, chairman of the All-Union Council of Trade Unions, at the Trade-Union Congress, *Pravda*, Feb. 25, 1987. This has also become a constant, though not unambiguous, theme of the central trade-union paper *Trud*.
17. Gerchikov and Proshkin, 'Vybornost' rukovoditelei . . .,' p. 17.
18. See, for example, A. Kozlov, 'Nachinal tsekhkom s zhelaniem', *Trud*, Sept. 29, 1988.
19. Zh. Toshchenko, 'Soznanie, nastroyenie, deistvie,' *Agitator*, no. 12, 1988, p. 11.
20. 'Stimuly i tormoza,' *Sotsialisticheskaya industriya*, June 19, 1988.
21. G. Konstantinov, 'Perestroika zarplaty . . .,' p. 18. Discussions at a conference on the labour-collective councils organized by the Leningrad 'Perestroika' club at the end of June 1988 similarly made clear that their impact so far has been small.
22. V. Vishnyakov, 'Prosit' ili trebovat'?, *Trud*, Oct. 6, 1988.
23. E. Terent'ev, 'Sotsial'naya sfera i profsoyuzy,' *Trud*, July 8, 1988.
24. *Trud*, July 8, 1988.
25. *Ibid.*, June 1, 1988. An exceptional case of a trade union actively defending the collective interests of workers and even leading them in a strike is that of Khabarovsk Regional Committee of the Union of Workers of Local Industry

- Khbarovsk Regional Committee of the Union of Workers of Local Industry and Communal Services. In a remarkable letter published in *Trud*, the chairman of the regional committee admitted that this was an extreme measure but he recalled Lenin's justification of strikes as a legitimate means of defence against 'bureaucratic deformations' in the Soviet state and he warned that such means would continue to be used. G. Tkachenko, 'Dlya raskachki vremeni net,' *Trud*, Oct. 12, 1988. This case, written up in the central trade-union paper is, indeed, significant and therefore deserves mention. If at the same time, I have relegated it to a footnote, it is because it is an isolated case. It is also worth noting that it involves a distant region and a politically marginal category of workers scattered in a myriad of very small enterprises.
26. See, for example, I. Leshchevskii, 'Idti vmeste,' *Sotsialisticheskaya industriya*, June 26, 1988; E. Terent'ev, *Trud*, July 8, 1988; V. Kazachenko, 'Rodoslovnaya zhaloby,' *Trud*, Sept. 3, 1988; G. Konstantinov, 'Perestroika zarplaty . . .', pp: 15-18.
 27. See, for example, A. Ulyukaev, 'Perestroika—kto "za", kto "protiv"', *Nedelya*, no. 18, 1988, pp. 11-12.
 28. *Trud*, July 8, 1988.
 29. A. Levina, 'Operatsiya "stupeni masterstva",' *Rabotnitsa*, no. 10, 1988, p. 17.
 30. *Ibid.*
 31. *Ibid.*, and Konstantinov, 'Perestroika zarplaty . . .', p. 15.
 32. *Trud*, July 8, 1988, and Levina, 'Operatsiya . . .', p. 17.
 33. Konstantinov, 'Perestroika zarplaty . . .', p. 16.
 34. Levina, 'Operatsiya . . .', p. 17; O. Zhadan, 'Dekol'te na samosvale,' *Trud*, Jan. 17, 1989.
 35. Levina, p. 16-18, and Konstantinov, p. 16.
 36. A. Mineev, 'Evolutsiya obshchestvennogo soznaniya,' *Moskovskie novosti*, Jan. 15, 1989, p. 8.
 37. V. Lifanov, 'Zhestskii pressing,' *Sotsialisticheskaya industriya*, Oct. 4, 1988.
 38. A. Rostarchyk, 'Protiv uravnilovki,' *Trud*, Nov. 24, 1988.
 39. See Mandel, 'La perestroka . . .', V. Chervyakov of the Institute of Sociological Research states that research shows a widespread 'psychology of levelling', but he blames this on the effects of what he maintains was the past state policy and philosophy of levelling. 'Formula spravedlivosti,' *Trud*, Jan. 18, 1989.
 40. A. Vorotnikov, 'Konflikt nazrel,' *Pravda*, April 13, 1988.
 41. 'Sem'dnei,' *Izvestiya*, Dec. 25, 1987.
 42. 'Sem'dnei,' *Izvestiya*, Jan. 6, 1988
 43. 'Sem'dnei,' *Izvestiya*, Dec. 25, 1987.
 44. *Trud*, June 15, 1988.
 45. V. Konstantinov, 'Profkom v prostoe,' *Trud*, September 4, 1988.
 46. See, for example, the letter form Izhstal' in *ibid.*, July 8, 1988.
 47. A. Kozlov, 'Nachinal tsekhkom s zhelaniem,' *Trud*, Sept. 29, 1988.
 48. *Trud*, July 7, 1988.
 49. C. Bulatov, 'Nadoelo byt' peshkamy,' *Komsomol'skaya pravda*, Oct. 5, 1988.
 50. *Sovetskaya Rossiya*, June 26, 1988. See also 'Uchitsya upravlyat' samim!', *Nedelya*, no. 49, Dec. 5-11, 1988, p. 7.
 51. *Trud*, June 17, 1988.
 52. 'Uchitsya upravlyat' samim!', p. 7.
 53. V. Kazchenko, 'Rodoslovnaya zhaloby,' *Trud*, Sept. 3, 1988.
 54. *Ibid.*, 16 June, 1988.
 55. See, e.g., 'Bankroty,' *ibid*, Sept. 16, 1988.
 56. P. Bunich, 'Goszakaz ili prikaz?' *Ogonek*, no. 44, Oct. 1988, pp. 14-16.
 57. *Ibid.*, July 16, 1988.

59. See C. Samary. 'De la Yougoslavie a l'URSS', *L'homme et la société*, winter 1988-9.
60. See Mandel. 'La perestroika . . .'
61. V. Vishnyakov. 'Prosit' ili trebovat?'. *Trud*. Oct. 6, 1988.
62. A. Mineev, *Moskovskie novosti*, Jan. 15, 1989. p. 8
63. N. Belyaeva. 'Natsional'nyi ili nardonyi.' *Moskovskie novosti*, p. 10. Dec. 25, 1988.
64. I. Deutscher. *The Unfinished Revolution*. London: Oxford University Press. 1967, p. 36.