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USSR Review



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New Soviet Activism at the United Nations

[Redacted]

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Over the past year, the Soviets have displayed a new activism at the UN that appears to be designed to gain them greater influence within the UN organization, improve the image of the USSR in the global arena, and garner support for their proposals for disarmament, settlement of regional conflicts, and increased Soviet participation in international economic affairs. Moscow also has expressed interest in expanding its involvement in international cooperation on environmental, medical, and other functional issues. [Redacted]

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New Light on Restructuring of Foreign Policy and the Ministry of Foreign Affairs

[Redacted]

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Newly published speeches by General Secretary Gorbachev and Foreign Minister Shevardnadze reveal that there has been an even sharper break with President Gromyko's legacy at the Ministry of Foreign Affairs than had been evident earlier. The decision to release these previously secret speeches reflects a desire to communicate to Soviet and foreign audiences that policies and practices have changed at the Ministry and suggests a further decline in Gromyko's influence. [Redacted]

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Criticizing Soviet African Policy

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Boris Asoyan, a leading Soviet specialist on Africa and an adviser to the Ministry of Foreign Affairs, authored an article critical of Soviet policy on Africa in the *Literaturnaya gazeta* of 7 October. At a time when Moscow is discussing possibilities for "new thinking" in foreign policy in general, and on African policy in particular, it may reflect advice Asoyan is giving to the Foreign Ministry.

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Moscow Holding Fast to the 12th Five-Year Plan

[Redacted]

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After a relatively good performance in 1986, the Soviet economy sputtered again this year. Unless changes are made to the economic plan for 1986-90, General Secretary Gorbachev's effort to modernize the economy and increase the rate of economic growth may be seriously delayed.

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Bleak Outlook for Soviet Drive To Increase Equipment Use in Machine Building

[Redacted]

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"Squeezing" more output from existing machinery is a key element of General Secretary Gorbachev's strategy for improving Soviet industrial performance. By moving workers off old machinery and equipment and onto a second or third shift using newer, more efficient production lines already in place, the Soviet leader hopes to boost production and accelerate plant renovation. Where it has been seriously attempted, however, the transfer of workers to additional shifts has proved highly disruptive and even counterproductive—problems that portend little increase in capital use through the remainder of the current five-year plan (1986-90).

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Notes

High Infant Mortality in Soviet Central Asia

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of Economic Performance**

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Articles

Gorbachev's Political Position: Picking Up the Pieces After the Yel'tsin Affair

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Since winning one of his biggest political victories at the Central Committee plenum last June, General Secretary Gorbachev has suffered a series of political challenges and setbacks, culminating in the extraordinary public humiliation and dismissal of his erstwhile ally Boris Yel'tsin. Events in recent months have strengthened the influence of more conservative members of the leadership, led by "Second Secretary" Ligachev, who want to slow the pace and narrow the scope of reform. In response, Gorbachev is distancing himself from the radical approach to reform that he took earlier this year in favor of a more politically tenable middle ground. Gorbachev still commands a strong position in the leadership and evidently is in no danger of losing his job. Moreover, while his reform campaign has lost some momentum as a result of conservative sniping and the Yel'tsin debacle, Gorbachev has continued to promote *perestroyka* vigorously, leaving little room for an alternative policy agenda to be articulated. He will probably try to strengthen his power base and regain the initiative before the All-Union Party Conference in June 1988, which he hopes to use to make changes in the Central Committee and, perhaps, to ratify his more controversial policies.

The June Plenum

Gorbachev's reform campaign appeared to reach a crescendo at the time of the June Central Committee plenum:

- The plenum approved a comprehensive program of "radical" economic reform, to be in place by the beginning of the 13th Five-Year Plan in 1991,

designed to loosen central controls over economic decision making and give greater scope to market forces.

- The plenum also gave Gorbachev authorization to hold an All-Union Party Conference next June, the first since 1941. Gorbachev wants to use the conference to boost his plans for "democratization" of electoral procedures and to make changes in the Central Committee, where his support has been weaker than in the Secretariat and Politburo.
- The plenum strengthened Gorbachev's support at the top by promoting three party secretaries to full Politburo membership. One of the three—ideology secretary Aleksandr Yakovlev—is unambiguously a strong Gorbachev ally. The other two, economic secretary Nikolay Slyun'kov and agriculture secretary Viktor Nikonov, clearly favor moving ahead with economic reform. The additions of Yakovlev and Nikonov also served to dilute the power of Ligachev, who had previously been the only senior secretary overseeing ideology and agriculture. Around this time, there were also tentative indications that secretary Lev Zaykov, a Gorbachev ally, was challenging Ligachev's authority in the critically important cadres area.

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Conservative Counterattack

Despite—or perhaps because of—Gorbachev's show of strength at the June plenum, more conservative members of the leadership began to indicate their

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growing discomfort with certain aspects of Gorbachev's reform agenda, particularly concerning *glasnost* and "democratization." In the ensuing months, as Soviet media carried an extraordinarily frank debate over current policies and sensitive questions of Soviet history, and as *glasnost* began to generate grassroots demonstrations and turmoil among disfavored nationalities, some members of the leadership expressed their growing concerns publicly about the "excesses" of reform:

- In early July, while praising *glasnost* in general terms, Ligachev charged that, in the process of implementing it, the media had dredged up some "scum and debris." He called for "constructive" *glasnost*, blending artistic merit and "profound ideological commitment," warned against unleashing "alien forces," and affirmed that the party would not depart from Communist principles.
- In early August, Ligachev said that "genuine *glasnost* has nothing to do with demagoguery and a disrespectful attitude toward the history of socialist building." He lashed out at "class opponents" who entertained the "vain hope" that reform in the USSR will lead to a "deviation from socialism in the direction of a market economy, ideological pluralism, and Western democracy." In contrast to Gorbachev's emphasis on exposing past deficiencies and shortcomings in the system, Ligachev praised the "grandiose achievements" of the Stalin era and stressed that, along with the shortcomings of the Brezhnev period, there were "remarkable" accomplishments.
- KGB Chairman Chebrikov used a speech in early September to paint a stark picture of the dangers that excessive reform could unleash. He warned that Western intelligence services are attempting to exploit the democratization process to "split the monolithic unity of party and people," reminded his audience that some Soviet citizens hold views that are "hostile to socialism," and claimed that "extremist elements" had come to the fore in the atmosphere of *glasnost*. He argued, in effect, that concessions on human rights issues were backfiring since released political prisoners were aiding the West, and imperialists were stirring up nationalist demonstrations in the USSR. [redacted]

Gorbachev on the Defensive

Gorbachev responded to these pressures by moderating his rhetoric and taking a more cautious approach on certain controversial issues, while continuing to promote his reform agenda vigorously:

- A few days after Ligachev's July speech, Gorbachev, in a meeting with media officials, stressed the benefits of *glasnost* but cautioned against undermining "socialist" values or creating a climate of disrespect for party officials, noting that some people are just waiting for "you or me to make a mistake . . . to turn it against the entire process of democratization and *glasnost*."
- Gorbachev also seemed to back off from one of the most controversial aspects of his "democratization" campaign: secret balloting in elections for party secretaries up through the republic level, an idea he first proposed at the January 1987 Central Committee plenum, but which has reportedly been the Gorbachev reform most feared by the broader Soviet elite. [redacted] Ligachev strongly opposes the idea, and of Soviet leaders only Zaykov has made favorable public reference to it—a reference that significantly was deleted by *Pravda*.
- Gorbachev has also sought to balance his frequent calls for placing reform-minded officials in party posts at all levels with reassurances that he is not declaring war on the party apparatus. He told the Leningrad party *aktiv* in October that party leaders must be "seized completely by the idea of the revolutionary renewal of society," but added that he was not issuing an appeal to "open fire on functionaries," as China did during the Cultural Revolution. [redacted]

While moderating his tone, Gorbachev clearly attempted to regain the offensive after returning in September from an unusually long vacation. He gave speeches in Murmansk and Leningrad that strongly reaffirmed his commitment to carrying the reform process forward, saying that, if backtracking is allowed, "that will be it; our restructuring front will fall

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apart," and that "I would not be able to conduct another policy . . . there is no other way for me."

[redacted]

The Revolution Day Speech

Debate within the Politburo evidently came to a head as the leadership prepared for the anniversary. [redacted]

[redacted] Gorbachev hoped to use his speech to criticize basic features of the authoritarian and repressive system that Stalin had created in order to legitimize movement toward radical reform. [redacted]

Instead, Gorbachev's speech stopped short of questioning the overall validity of the Stalinist political and economic structure. While he denounced Stalin's purges and his overreliance on centralized, administrative power, Gorbachev justified the main lines of Stalin's policies as historically necessary. Moreover, he did not rehabilitate symbolically important figures like Bukharin—father of the New Economic Policy, which allowed wide scope for private enterprise—although he did announce the creation of a commission to review Bukharin's case and those of other victims of Stalin. [redacted]

[redacted] Gorbachev was forced to water down the most provocative sections of the speech in response to objections from party conservatives. [redacted]

[redacted]

Gorbachev's Revolution Day speech also introduced a new note of caution on current policies, most notably concerning the proper pace of reform. As he has done in the past, Gorbachev criticized unnamed conservatives who want to undermine reform by slowing it down. But, uncharacteristically, he went on to lash out at "impatient" elements who try to force change too rapidly, a charge clearly aimed at Yel'tsin. By contrast, earlier this year Gorbachev repeatedly expressed his dissatisfaction with the slow pace of restructuring. As recently as 12 October in Lenin-grad, when a man in a crowd commented that "you cannot restructure everything all at once," Gorbachev responded that such an approach could lead to the conclusion, "why hurry?" "While you can not change everything all at once," he said, "you've got to go, go, go, go, no matter how difficult it is." [redacted]

The Yel'tsin Affair

Gorbachev's political situation took an unexpected turn when Yel'tsin decided to use the October plenum to air his longstanding grievances against party conservatives and to voice, at least indirectly, his frustration with Gorbachev's inability or unwillingness to challenge them. His subsequent public excoriation and removal from office was the most damaging setback to Gorbachev's leadership since he became General Secretary. [redacted]

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Yel'tsin had been closely associated with Gorbachev since December 1985, when Gorbachev personally appealed for Yel'tsin's controversial installation as Moscow party leader. Over the next two years, Yel'tsin was one of the most outspoken proponents in the leadership of Gorbachev's policies of *glasnost* and *perestroika*. To many Muscovites, Yel'tsin's efforts to break up the corrupt political machinery of his predecessor, raise the standard of living in the capital, and allow greater freedom of expression seemed to embody the aspirations of the Gorbachev regime. [redacted]

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Given the magnitude of Yel'tsin's misbehavior at the plenum, Gorbachev probably had little choice but to break with his former ally and punish him. Not only did Yel'tsin commit a gross violation of party discipline in bypassing the Politburo and taking his grievances to the Central Committee, he also ignored a direct order from Gorbachev to wait until after the 70th anniversary celebrations to air his frustrations. Complaining that the Secretariat was interfering with his efforts to implement reforms in Moscow and overhaul the local party apparatus, Yel'tsin singled out Ligachev as the main culprit, but he reportedly took on Chebrikov as well. Yel'tsin even went so far as to criticize the paucity of results from *perestroika* and thus implicitly attack Gorbachev's leadership. [redacted]

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By questioning Gorbachev's commitment to reform and denouncing conservative obstructionism before the Central Committee, where support for Gorbachev's reforms is weakest among the party leadership bodies, Yel'tsin put the General Secretary in a politically untenable position. Gorbachev could not afford

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to fight it out with the conservatives on such inhospitable ground, nor could he be seen as condoning Yel'tsin's violation of party discipline. [redacted]

There were some signs that Gorbachev initially hoped to keep Yel'tsin in place, but his management of the 11 November Moscow Gorkom meeting suggests that Gorbachev eventually concluded that he had to cut his losses and avoid a fight with Ligachev. By taking charge of the Moscow plenum and leading the attack against Yel'tsin, Gorbachev was able to limit debate—at least in public—to Yel'tsin's personal misconduct and prevent the meeting from turning into an evaluation of *perestroyka*. Indeed, Gorbachev and other speakers at the meeting argued that Yel'tsin's efforts to do everything in “one fell swoop” had done more to hurt than help the cause of reform. Moreover, by placing Zaykov—another close ally—in the Moscow position, Gorbachev also signaled that he was still in control of the party and that restructuring in the capital would not be halted. [redacted]

Gorbachev has been able only to limit, not prevent, the damage. Even though Yel'tsin was punished ostensibly for his maverick behavior and not his political views, his removal was widely perceived in the USSR as a blow to *glasnost* and *perestroyka*. For the first time, Gorbachev is being seen as setting limits on the reform process, rather than expanding it. His credibility has suffered at a time when he is trying to mobilize public opinion behind his policies. [redacted]

[redacted] Yel'tsin's removal also reportedly sparked a reaction on the popular level, leading to demonstrations and even work stoppages. Although Soviet media have not identified Yegor Ligachev as Yel'tsin's principal adversary at the October plenum, the Soviet public has apparently come to that conclusion: one Embassy source said that students demonstrating on Yel'tsin's behalf at Moscow State University carried placards saying “You are wrong, Yegor.” [redacted]

The Balance of Power

Gorbachev evidently still has sufficient support in top leadership bodies to retain power. The goal of more conservative leaders at present seems limited to keeping Gorbachev and the reform process within manageable bounds. [redacted]

By removing First Deputy Premier Aliyev from the Politburo in October, Gorbachev probably ensured a slim working majority for continuing reform at a measured pace. He has at least three solid supporters in Propaganda Secretary Yakovlev, Foreign Minister Shevardnadze, and new Moscow party chief Zaykov. He can probably also usually count on backing from Premier Ryzhkov and Secretaries Slyun'kov and Nikonov. With Aliyev gone, the conservative wing of the Politburo has been reduced to four probable members: Ligachev, Chebrikov, President Gromyko, and Ukrainian First Secretary Shcherbitskiy. RSFSR Premier Vorotnikov and Party Control Committee Chairman Solomentsev appear to occupy the middle ground, and they may serve as critical swing votes on controversial issues. Overall, there appears to be stronger leadership backing for Gorbachev's economic reform initiatives than for his promotion of *glasnost* and “democratization.” [redacted]

The General Secretary also has a strong base of support in the Secretariat, the party's executive arm and second most powerful leadership body. He probably can count on the support of four of the five secretaries who are full Politburo members. Three of the other six secretaries are also closely associated with Gorbachev. [redacted]

Zaykov's departure from the Secretariat—a move that would be consistent with past practice but, [redacted] not yet certain—would deprive Gorbachev of a key ally there. Since his new position does not give him responsibilities relating to national security issues, Zaykov may also lose his membership in the Defense Council, somewhat weakening Gorbachev's strength in that body. [redacted]

Gorbachev's support is weakest in the Central Committee, where a majority of members attained their positions under Brezhnev. Many Central Committee members—especially economic administrators, party bureaucrats, and military officials—feel threatened by Gorbachev's policies. [redacted] strong resistance to Gorbachev's program within much of the elite below the leadership level. [redacted]

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Outlook

Events since Yel'tsin's dismissal suggest that the debate over the scope and pace of reform is far from resolved. There are some signs that conservatives have been emboldened to speak out more forcefully about the need to limit certain reforms. For example, *Pravda* published an article that endorsed "democratization" in principle, but decried "distortions and excesses," and especially denounced efforts to hinder party organs' influence in the election of factory managers. [redacted]

In addition, the use of massive police force in quashing demonstrations in Latvia reinforces evidence that the leadership has adopted a harder line than previously on the issue of non-Russian nationalism—probably inevitable in view of the burgeoning unrest. Coming in the wake of statements by Ligachev and Chebrikov sounding the alarm about the danger of unleashing nationalistic unrest, Moscow's reversion to repressive measures suggests a determination to establish firmer controls in this area. [redacted]

At the same time, Gorbachev and his supporters are still able to use the media to propagate controversial ideas. Soviet periodicals—particularly *Moscow News* and *Ogonyok*—continue to publish provocative articles on historical questions and current issues. *Moskovskaya pravda*, the organ of the Moscow party organization, published an article on 20 November implicitly advocating an increase in the size of the Central Committee—a move that could dilute the influence of conservatives in that body—by bringing in workers with little experience in party affairs. The same article also repeated Gorbachev's January proposal for multicandidate party elections using secret balloting, suggesting that the issue is not dead. [redacted]

As the struggle between conservatives and reformers continues, Gorbachev will be under pressure to show that he is still in charge of the party and that his reform agenda will not be narrowed or rolled back. In particular, he will need to signal that there remains a strong consensus behind the policies of *glasnost*, *perestroyka*, and *demokratizatsiya*, the three programs most closely identified with his leadership. If conservative themes become more prevalent in the

media and in leadership rhetoric, opponents of reform and fence sitters—many of whom occupy critical positions within the party and government hierarchy—will probably be even more resistant to the kinds of changes Gorbachev is pressing them to make. [redacted]

In the personnel area, Gorbachev has several opportunities to augment his power in the coming months: 25X1

- He may be able to add a new ally to the Secretariat to replace Zaykov if he is removed, or at least shift Zaykov's responsibilities for oversight of defense industries to a supporter already there. Gorbachev has a strong stake in this decision, since Zaykov seemed to back the General Secretary's effort to hold down defense spending through arms control. 25X1
- Local and regional party organizations will formally conduct elections for their leadership positions before the end of the year. Gorbachev may hope that his call for more "democratic" procedures will reduce the number of old-line leaders at those levels. 25X1
- In early 1988, the party will begin selecting delegates to attend the first Party Conference since 1941, to be held on 28 June. Gorbachev hopes to use the conference to make changes in the Central Committee and, perhaps, to ratify some of his most controversial policies. [redacted] 25X1

If Gorbachev is able to control these appointments and elections, he will go a long way in consolidating his power and building a broader constituency for reform. He will face a formidable obstacle in Ligachev, however, whose interference in Yel'tsin's party organization demonstrated the substantial power he wields in party personnel matters. If Ligachev manages to place officials who share his go-slow approach in key positions, the momentum for reform will diminish and Gorbachev's own political future will become more uncertain. [redacted] 25X1

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Recent Soviet Human Rights Initiatives: What They Have and Have Not Done

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Under General Secretary Gorbachev, Soviet human rights performance has changed for the better—particularly in the realm of freedom of association and freedom of movement of people and ideas. In terms of traditional Soviet practice, the change is striking. Nevertheless, it is taking place only within limits carefully set by the regime and on issues of its choosing. Thus far, the relaxation has not been given a legal framework and could be reversed when deemed expedient. Gorbachev recognizes that greater tolerance for a diversity of views and protection of citizens against harassment from officials is necessary to strengthen the regime's legitimacy and to promote the initiative and creativity on which his modernization program depends. He has also made clear that the Communist Party will retain its authority to judge the proper limits for individual action. Arbitrariness continues in many areas, in part because many in the bureaucracy are not in tune with the changes being directed from the top. Regime reaction to efforts by citizens to test the limits of tolerable political behavior has been increasingly negative since the summer. Nevertheless, the leadership does not appear about to revert to an across-the-board repressive approach, and it is still fine-tuning its human rights strategy

- Discussions of contentious historical issues have mentioned former “nonpersons” like Nikolay Bukharin and Lev Trotskiy, and historians continue to probe sensitive issues.
- The official media have included some uncensored remarks by Western leaders, and cessation of jamming of the VOA and BBC has provided additional access to Western views.

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In most cases, however, *glasnost* has been a means for the leadership to spotlight deficiencies in the existing system that it wanted to resolve and to pressure recalcitrant lower level bureaucrats. It has not been a means for criticizing the overall system. Criticism in the political realm is especially limited. Direct attacks on the top leadership are still taboo unless they are the consequence of a deliberate party decision, such as the attacks on ousted Kazakh party leader Kunayev and Moscow party chief Yel'tsin. The media have provided no objective exposition of many unpleasant aspects of Soviet history, such as the forced deportation of non-Russian nationalities.

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The party apparatus still closely monitors the official media and sources of outside information:

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Freedom of Expression and Free Movement of Ideas

Gorbachev's policy of *glasnost* has significantly increased freedom of expression in official media and exposed the Soviet public to more uncensored information from unofficial journals and the West:

- Soviet media have begun to discuss formerly taboo societal problems—such as alcohol and drug abuse. Editors have also mounted a broad attack on corrupt and ineffective bureaucrats and middle-level party officials and have even reported on police abuses.
- The inefficiencies of the Stalinist command economy have been frankly acknowledged, although without directly challenging socialist principles, particularly state ownership of the means of production.
- The Central Committee has reviewed several liberal journals, including the provocative weekly *Moscow News*. “Second Secretary” Ligachev's decision to remove a letter from a dissident delayed one of its issues in April. decisions about whether to publish sensitive materials are frequently made at the leadership level.
- The regime continues to jam the more politically hostile radiobroadcasts, notably those of Radio Free Europe/Radio Liberty and Radio Israel.

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Most important, while relaxing censorship of the state-owned media, the regime has not moved to legitimize independent publications:

- Several former dissidents have organized publication of unofficial journals that address a variety of politically sensitive topics, but their requests for official permission to publish openly have either been rejected outright or ignored.
- Editors and contributors of some unofficial journals, such as *Glasnost* which is published by released prisoner Sergey Grigoryants, have been repeatedly harassed by the KGB.
- Regime spokesmen have declared that there is no need for an independent press and stated that the regime would prohibit cooperative or private publishing enterprises that were "purely ideological."

[Redacted]

Freedom of expression—although officially encouraged on "constructive topics"—is still hindered by the fear of prosecution under Soviet laws prohibiting "anti-Soviet" statements and actions. Under articles 70 and 190 of the RSFSR criminal code, those convicted can receive stiff prison sentences of up to 10 years. This year Moscow has invoked these articles less frequently, pardoned over 170 political prisoners prosecuted under them, and indicated that the articles are under consideration for change or deletion in the current revision of the criminal code.

[Redacted] public statements by Soviet officials, however, suggest that a revised article 70 may be retained to protect national security—leaving open the possibility of its continued abuse. Moreover, [Redacted] the regime intends to shift increasingly to administrative, not legal, resolution of these cases, thus obviating the need for court trials and further increasing potential for arbitrariness. [Redacted]

Freedom of Association

Moscow has thus far tolerated new attempts to exercise freedom of association—in the form of informal

literary, cultural, and political discussion groups. Thousands of groups have been formed around the country, mainly among well-educated youth. The party permitted 600 representatives from 50 groups to gather in Moscow in late August for an independent groups' conference. [Redacted]

While Gorbachev is probably sympathetic to renewed interest in public policy among young people, the regime has no intention of taking a laissez faire position. It is attempting to co-opt the more moderate groups, perhaps as a prelude to a crackdown on the more extreme and politically oriented ones. A Central Committee commission has reportedly been formed to study unofficial groups, and the Young Communist League (Komsomol) and Znaniye (Knowledge) Societies are offering new political clubs as alternatives to spontaneous grassroots organizations. Several of the more political groups have already lost their access to public meeting halls. [Redacted]

Freedom of Assembly

This year, public demonstrations—by human rights activists, environmentalists, nonconformist youth, nationalists, and others—have become a common way to register political complaints. About 130 demonstrations—including very large ones—have been organized in Moscow and Leningrad this year. While the regime initially showed restraint toward most demonstrations, the increase in frequency and size and the infusion of the nationalist element have led to a general crackdown. [Redacted]

The regime has restricted spontaneous demonstrations and resorted to physical harassment of those that violate the new rules adopted in a number of areas. At least in Moscow, Leningrad, Sverdlovsk, Ufa, and the Baltic states, demonstrators are now required to apply for permission seven to 10 days in advance. Since introducing the regulations, the regime has rarely granted permission. In one case—for a gathering of Jews at a cemetery outside Moscow to commemorate the massacre at Babi Yar—the regime tried to exploit the demonstration for propaganda gain. [Redacted]

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When demonstrators have tried to protest despite denials, police have used force to disperse them. While most activists have been detained only a few hours, some have received 10-day sentences and been fined. At least three times in Moscow this fall, police have used preventive detention against dozens of human rights activists to head off demonstrations.

[redacted]

Freedom From Arbitrary Arrest and the Right to Due Process

The improvement of "socialist legality" has been a major theme of Gorbachev's program to "democratize" Soviet society. Several measures have been designed to limit legal arbitrariness:

- The Supreme Soviet passed a law "On the Protection of Citizens' Rights," ostensibly giving citizens the ability to challenge illegal decisions by officials in court.
- The Soviet media have exposed cases of false arrest and conviction for crimes and improper diagnosis of psychiatric illness.
- Soviet officials have stated that all psychiatric hospitals will be under the purview of the Ministry of Health instead of the Ministry of Interior, a move that would presumably reduce the use of psychiatry as a police instrument.
- The RSFSR Minister of Justice has said that suspects will probably be granted immediate access to legal counsel, unlike current practice. [redacted]

[redacted]

Despite these tentative steps, the security apparatus that makes repression possible—including a KGB directorate charged with monitoring and controlling dissent—remains in place. Surveillance, physical harassment, illegal search and seizure, and detention—including commitment to psychiatric hospitals—are still used when the regime deems them expedient.

[redacted]

Freedom of Movement

Emigration of Jews, ethnic Germans, and Armenians has increased about tenfold in 1987 over 1986 rates to a total of over 20,000 (about 7,000 Jews, 12,000 Germans, and 2,300 Armenians) in the first 11 months of 1987. Most longstanding refusenik cases and most bilateral cases with Western countries of divided spouses and dual citizenship have been settled. Emigration of Germans this year is the highest in over 30 years, although Jewish and Armenian emigration are still well below peak years—over 51,000 Jews emigrated in 1979 and over 6,000 Armenians in 1980. According to Soviet officials, only 8 percent of all applications have been denied this year, and a Supreme Soviet commission has overturned some denials made on grounds that the would-be emigrants had access to classified information. [redacted]

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The regime has also taken several steps to open up opportunities for short-term travel, hoping to improve the Soviet population's morale—primarily that of intellectuals, who have long resented limits on their ability to meet with professional colleagues abroad. Moscow also hopes to head off a rush for emigration by allowing more visits between family and friends. Jews and ethnic Germans have been able to make short-term trips to the West, and their relatives have been allowed to visit the USSR in increased numbers.

[redacted]

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The regime, however, has stopped well short of full freedom of movement:

- An authoritative editorial in September asserted the legitimacy of denying emigration on the basis of previous access to "state secrets," and Soviet emigration authorities continue to interpret "state secrets" in an extremely arbitrary way.
- Immediate family members also have a veto over an individual's desire to emigrate, according to Soviet law. At least on paper, new regulations implemented

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this year are more restrictive because they limit emigration to those with close family relations abroad. The inconsistency with which the regulations are applied makes the attainment of exit visas still dependent on the fancy of local officials.

- While Moscow clearly has changed its tone on foreign travel, the prospects for actually securing a trip abroad have not improved for most people.

[redacted]

Freedom of Religion

Up to half of the Soviet population are religious believers, and Gorbachev seems more willing than his predecessors to differentiate between "law-abiding" religious practitioners and religious activists and proselytizers. Recent leadership statements, media reports, and sociological studies hint that Gorbachev has mandated a broad review of regime policy on religion. Several steps have been taken thus far that suggest the regime may be moving toward a less repressive policy for registered congregations to isolate, discredit, and cripple individual religious dissenters and the so-called underground churches—those that refuse to register with authorities because doing so requires them to curtail their efforts to spread the faith. (Current Soviet law includes prohibitions on proselytizing and on public religious instruction for children.) The policy of trying to co-opt the churches that pose less of a challenge to the regime is not altogether new, but it is being implemented with greater sophistication:

- Some press coverage has portrayed church officials and ordinary believers as reliable, loyal, and respectable citizens. The governmental Council on Religious Affairs has stepped in to protect registered congregations that run into difficulties with local authorities when exercising legal rights.
- The official requirement that baptisms be registered with the state has been repealed, although there are still reports of some clergy demanding to see identity documents.

- A shipment of 5,000 scriptures in Hebrew and Russian was received at Moscow's main synagogue; arrangements are in train to import over 200,000 Bibles in various languages; and the Russian Orthodox Church has received permission to publish 100,000 Bibles and a new monthly journal. Soviet customs regulations have reportedly been loosened to allow tourists to carry in more than one (personal) copy of religious materials. [redacted]

The regime continues to view the renewed vitality of religion with deep concern, perceiving that religious values are a serious ideological challenge to its legitimacy. The leadership also sees certain ethnically based denominations as contributing to the political threat of nationalism:

- The regime is especially concerned about the burgeoning of Islam and its confluence with nationalism in Central Asia. Islamic leaders have generally not been included among pardoned political prisoners, and, in fact, there have been reports of several arrests of unregistered mullahs over the last two years.
- The Ukrainian Catholic Church (Uniate Church) remains an outlawed church, a situation that has existed since Stalin banned it during World War II.

[redacted]

The Right to National Self-Expression

While both Russian and non-Russian nationalism have been simmering for many years, *glasnost* has given rise to a much more vocal expression of demands on the part of the many nationalities of the USSR. Non-Russian nationalist activism has been particularly boosted by the release from prison of several minority activists. Over 30 separate nationalist demonstrations have taken place in 1987, involving hundreds and more recently thousands of participants.

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While the regime has tolerated relatively benign public protests by nationalists on environmental issues and preservation of historical monuments, it has cracked down hard on those making political demands:

- After initial kid-glove treatment of the Russian nationalist group Pamyat, the press began to attack the organization. Members were thrown out of their meeting places, two prominent leaders were reportedly incarcerated in mental hospitals, and then Moscow party boss Yel'tsin was explicitly attacked for failure to refute the views of Pamyat's "hysterical women and reactionaries." (The organization has a strongly anti-Semitic orientation.)
- After initially showing restraint toward Crimean Tatars while they demonstrated on Red Square for several days in late July, Moscow authorities deported hundreds under police escort. Each subsequent attempt by Tatars to demonstrate—mainly in the Crimea, Kuban, and Tashkent regions—has been dispersed by police.
- Unlike the relative tolerance shown to earlier demonstrations in the Baltic in June and August, Latvian authorities on 18 November broke up a demonstration in Riga by mobilizing thousands of militia and volunteer police to seal off the site, arresting 40 participants and holding several organizers under preventive house arrest.
- Baltic and Tatar organizers have been subjected to interrogation, surveillance, short detentions, physical intimidation, arrests, callups for reserve military service, beatings, and in some cases, even death threats.
- Many nationalist activists have been deported from the USSR in 1987, including Latvian nationalists Roland Silarups and Janis Rozkalns, Estonian nationalist Tiit Madisson, Georgian Helsinki Accord monitors Tengiz and Eduard Gudava, and Ukrainian Catholic activist Iosif Terelya.

The Right to Political Participation

Gorbachev has proposed steps to increase political participation of the masses with the goal of increasing pressure "from below" on officials to implement his policies, and he has called for establishment of "socialist pluralism"—a term he has yet to define:

- In an electoral experiment this June, about 4 percent of local soviets nationwide were elected with multicandidate, secret ballots. Voters in some areas took full advantage of their chance to choose among candidates to vote against unpopular officials.
- A new law that takes effect in January provides for solicitation of suggestions from the public primarily on local issues such as housing, schools, hospitals, consumer services, and protection of historical buildings, monuments, and the environment.
- A newly emerging form of public participation in politics is the circulation of petitions protesting specific governmental decisions. Petitions have reportedly been instrumental in shelving construction of new nuclear power plants at Minsk and Odessa and in closing a highly toxic chemical plant near Leningrad. Petitioners on more directly political matters—such as those protesting Yel'tsin's removal—have, however, been harassed.

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"Democratization" of the political process clearly has limits. Gorbachev has no intention of eliminating one-party rule and is only allowing for more discussion within the current framework:

- Elections focus primarily on the local soviets and factories, which have little independent authority and are charged with overseeing the details of local economic development and public services.
- Moreover, nominations are closely controlled. Leningrad authorities used traditional harassment techniques to prevent the candidacy of the leader of an

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independent group that had organized large demonstrations in spring 1987. The local party in a Gorkiy rayon coaxed a candidate for the soviet nominated by workers to withdraw his name, and a "more suitable" choice was placed on the ballot.

- There has been no change yet in overall procedures for choosing party officials. After an initial flurry of multicandidate elections at the lowest party level—the district—there has been little followup on proposals Gorbachev made in January for party electoral reform. [redacted]

"Democratization" has not affected the top of the political pyramid. The electoral system as now envisaged will not break the back of the nomenklatura system—whereby the party makes appointments to all posts of major responsibility—although it may give the population some input into government decisions on purely local issues. [redacted]

Prospects

Gorbachev faces an inherent dilemma: to demonstrate the sincerity of his "new thinking" about human rights issues, he needs to go even further than he already has in guaranteeing basic human rights promised in the Helsinki Accords and also formally inscribed in the USSR's own constitution. Without further movement, Gorbachev risks sparking a transformation of today's ardent supporters of political reform into a future generation of skeptics and even dissidents. Yet, the concessions he has already made make regime conservatives nervous and have led to increased activism. Fear of the destabilizing potential

of Gorbachev's human rights policies could help galvanize opposition to his overall reform agenda among conservative elites. [redacted]

The resolution of several upcoming issues may provide a good gauge of Gorbachev's commitment to institutionalizing an improvement in Soviet human rights performance. These include:

- Whether the current revision of the criminal code, due for completion in 1988, removes or substantially narrows laws prohibiting "anti-Soviet" behavior and many forms of religious practice or legalizes informal groups, independent publishing, and demonstrations.
- Whether a statute of limitation is placed on emigration denials based on access to state secrets and whether the definition of "state secrets" is narrowed.
- Whether public political participation is broadened through new laws on citizens' rights and on discussion of policy proposals and through expansion of elections to factory, government, and party posts.

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New Soviet Activism at the United Nations

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Changes in Moscow's Approach

Over the past year, US representatives to international organizations have witnessed significant changes in the Soviet Bloc's approach to the United Nations (UN) and other international organizations. All of the changes have, in our view, been devised to attract maximum media attention. They include:

- An announcement on 15 October 1987 that Moscow would pay all of its outstanding debts to the UN—a commitment of \$225 million.
- An announcement in July 1987 that Moscow would contribute to the UN Conference on Trade and Development (UNCTAD) Common Fund—a commitment of approximately \$29 million.
- The unprecedented agreement last winter by Kabul and Moscow not only to discuss the human rights situation in Afghanistan at the UN Human Rights Commission but also to allow a UN observer to assess the situation inside Afghanistan.
- Expressions of increased interest by Moscow in using the UN and the Secretary General to mediate regional disputes and in seeking a greater role for UN peacekeeping forces in settlement of conflicts. Recently, the Soviets called for a multinational fleet under the UN flag to replace outside naval forces in the Persian Gulf.
- Creation of special sections in the Soviet Ministry of Foreign Affairs and the Soviet Mission to the UN to handle UN humanitarian and disarmament affairs.

General Secretary Gorbachev underlined Soviet interest in the UN in September in an article in *Pravda* that called for an expanded UN role in international affairs—especially in the implementation of a package of Soviet security proposals—and greater member acceptance of UN authority.

Objectives at the UN

Moscow almost certainly expects its UN initiatives to promote its objectives within the UN organization itself, especially at a time when many Third World states are upset with US criticism of and withholding of financial contributions to the UN. The Soviets' objectives include:

- Redefining the mandate of UN bodies to advance longstanding Soviet proposals such as the "new international information order" and multilateral consideration of so-called state terrorism, a term the Soviets use to characterize US, South African, and Israeli military actions in the Third World.
- Redirecting and obstructing the work of UN bodies that do not serve Moscow's interests. UN acceptance of some of the Soviet security proposals would help the Soviets divert the debate on issues such as human rights and Afghanistan away from criticism of the USSR and its policies.
- Capitalizing on the influence the Soviets have gained over UN operations through the placement of Soviet nationals in high-level UN Secretariat positions.

In pursuing these objectives, the Soviets will continue to play up the contrast between their activism at the UN and alleged Western—especially US—criticism of and actions "against" the UN and specialized bodies such as the United Nations Educational, Scientific, and Cultural Organization (UNESCO).

"New Thinking" and Soviet Image-Building

The Soviets' activity at the UN is also intended to back up their call for a comprehensive system of international peace and security (CSIS), which they

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Major Soviet Activities at the UN

<i>September 1985 (40th UN General Assembly)</i>	<i>Soviet Foreign Minister Shevardnadze pushes for a world space organization and the elimination of space weapons and chemical weapons in his opening speech to the UN.</i>	<i>February-March 1987</i>	<i>Major change in Soviet Bloc approach at UN Human Rights Commission; Soviets and Afghans agree to discuss Afghanistan and to send a UN observer to assess human rights situation.</i>
<i>February-March 1986</i>	<i>Gorbachev first calls for a comprehensive system of international peace and security (CSIS) in his speech to the CPSU Party Congress.</i>	<i>Summer 1987</i>	<i>Soviets launch unusually aggressive pre-UN General Assembly lobbying campaign; particular emphasis given to CSIS and Afghanistan. Rumors also circulate that Gorbachev plans to attend the 42nd UN General Assembly.</i>
<i>May 1986</i>	<i>Soviets offer \$10 million to help alleviate the UN financial crisis; and, for the first time, agree to support the UNIFIL mandate and to pay their UNIFIL assessment.</i>	<i>July 1987</i>	<i>Soviets agree to join the UNCTAD common fund.</i>
<i>August 1986</i>	<i>Soviets put forward UN financial reform proposal that calls for the passage of UN budgetary matters by consensus and the creation of a new UN budgeting mechanism.</i>	<i>September 1987</i>	<i>Gorbachev publishes "The Reality and Guarantees of a Secure World" in Pravda—an article that spells out the Soviet CSIS proposal. Soviets also announce that they will pay their UN assessment in full.</i>
<i>September 1986 (41st General Assembly)</i>	<i>Soviets put forward CSIS resolution—it passes, but with many abstentions. Soviet rhetoric notably more conciliatory.</i>		



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cite as a practical manifestation of "new thinking" in their foreign policy (see inset). The CSIS proposal recycles a variety of international political, economic, and disarmament proposals previously submitted by Moscow, the Third World, and others into a single package of proposals. The USSR has marketed this package to Third World and Western audiences as a "radically" new development in Soviet foreign policy. Many of the proposals, in fact, represent longstanding Soviet positions, and sections calling for expanding the powers of the Secretary General and the Security Council closely resemble a plan proposed by UN Secretary General Perez de Cuellar in 1982. [redacted]

Moscow has been vague on the mechanisms that would implement the CSIS, and the recent focus on the UN may be an effort to demonstrate, particularly to Third World audiences, some concrete examples of how the program might be put into practice. Moscow has also been eager to show that the CSIS proposal is not an attempt to supercede existing international organizations, a point emphasized by Gorbachev in his *Pravda* article. [redacted]

Improving the image of the USSR in the international arena has been a major foreign policy goal of the Gorbachev regime, according to [redacted] Soviet academic writings. The Kremlin has intensified efforts to portray the USSR as a "responsible" power interested in, among other things, nuclear disarmament, "peaceful competition" between East and West, and a "just" international economic order. It also has claimed that the USSR has no ambitions that threaten other states. Gorbachev's UN proposals are probably part of the image-building process, which the Soviets presumably hope will pay off in heightened prestige, improved diplomatic flexibility, and increased Third World support on international issues, notably disarmament. [redacted]

Other Foreign Policy Goals

Moscow's moves at the UN support other specific Soviet policy objectives and themes. Over the past two years, for example, the USSR has conducted a diplomatic and propaganda campaign on regional conflicts in an effort to counter US support for anti-Soviet insurgents, gain a role for itself as a player in any settlement processes, and reduce the worries of many

Third World countries about threats to their security from the USSR and its clients. Gorbachev's advocacy of UN involvement in mediating and monitoring settlements to regional crises is probably intended to reinforce to UN audiences the sincerity of Soviet interest in resolving these conflicts, to discredit Western intervention in areas of conflict such as the Persian Gulf, and to reduce the margin of UN votes against Soviet positions on Afghanistan and Cambodia. [redacted]

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The Soviet decision to join the UNCTAD common fund is probably designed to play to Third World audiences as a demonstration, at relatively little cost, of Soviet support on development issues. Indeed, the Soviets' \$29 million "commitment" is a financial payment that will not come due for several years. Press reports indicate that Moscow also believes that joining the fund, which has many Western members, will help in its campaign to gain entree into a number of other international economic bodies—such as the General Agreement on Trade and Tariffs and the Asian Development Bank—for purposes of expanding and regularizing Soviet international trade and financial ties. [redacted]

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In his *Pravda* article, Gorbachev claimed the UN could be a focus for international cooperation in humanitarian and scientific fields. While this may represent no more than another attempt at image polishing, Moscow may have more than rhetorical interest in expanding its involvement in some functional international cooperation. Over the past year, Soviet academic writings have paid increasing attention to the fact that no nation, including the USSR, is immune from "globalized" problems, such as environmental deterioration and epidemic diseases, and to the potential benefits of multilateral action in such areas. Moscow may see the UN as a suitable arena for increasing its involvement in these fields. [redacted]

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Outlook

The costs of this campaign are low and its potential for image enhancement is attractive, especially if Moscow succeeds in selling the contrast between its

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The Comprehensive System of International Peace and Security

The USSR's Comprehensive System of International Peace and Security (CSIS) proposal is composed of a number of initiatives ostensibly aimed at the creation of a more secure world through addressing several types of global problems simultaneously. The Soviets argue that the interdependence of all countries and the dangers of conflict in the nuclear era dictate the need for new, cooperative approaches to solving political, military, economic, and humanitarian problems. The list of initiatives Moscow has proposed includes:

Political-Military

- *Encouraging international disarmament in all areas. Reductions in INF and strategic offensive weapons should be closely followed by drastic cuts in nonnuclear armaments.*
- *Promoting the settlement of regional conflicts through greater use of UN peacekeeping forces, activation of the UN Military Staff Committee, and creation of international mechanisms to lessen the danger of war and to monitor compliance with agreements.*
- *Expanding and strengthening the roles of the UN Secretary General, the General Assembly and the Security Council—particularly of its permanent members.*

Economic Development

- *Taking concerted action in international organizations to relieve the debt burden of Third World countries by reducing interest payments and transferring to the developing countries monies to be freed by East-West disarmament.*

Humanitarian

- *Broadening human rights discussions at the UN to include "violations" of other rights such as the "right to shelter," "the right to employment," and "the right to live in a nuclear-free world."*
- *Strengthening UNESCO and bringing all nations into the "New World Information Order"—a proposal that might subject the Western news media to international censorship.*
- *Improving information exchange on ecological questions by having governments submit annual reports to the UN on their conservation activity and on ecological incidents that have occurred in their countries.*

Virtually all of the proposals the Soviets have put forward as part of the CSIS have been offered separately in various forums over the past several years. Moreover, Moscow has said little on how the "catch-all" CSIS proposals might be implemented, sticking instead to generalities on improving the UN mechanism and intensifying international cooperation.



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interest in the UN and alleged US hostility to the organization, an issue to which it probably will devote increasing publicity. We expect the USSR to show its intent to be a "responsible" member of the UN by fulfilling, at least for the short term, its financial obligations and to contrast its payments with continued withholding of contributions to the UN by the United States. [redacted]

[redacted]

We cannot, however, rule out the possibility that the USSR will move beyond rhetoric to make more concrete proposals in certain areas. These include:

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We believe that the bulk of the Soviets' continuing activism at the UN will remain at a general, mostly rhetorical level. Their initiatives will be designed to assist them in areas where they are most vulnerable, such as on Afghanistan, Cambodia, and human rights, by refocusing debate and exploiting UN machinery to Soviet advantage. For example, we expect Moscow to continue to attempt to defuse the Afghanistan issue at the UN through procedural maneuvers such as proposing new amendments and UN mediation. Recent diplomatic reporting indicates that Moscow's effort over the summer to influence a UN human rights observer mission to Afghanistan will soon pay off with a report that is less critical of the Kabul regime than past reports. We also expect the Soviets to continue their efforts to channel UN debate on human rights away from consideration of the record of East Bloc nations toward discussion of Soviet versions of human rights, such as the right to housing, the right to employment, and the right to live in a nuclear-free world, as well as the right of Third World nations not to be saddled by debt and high interest payments. [redacted]

- An expanded UN role in negotiations on regional conflicts. In southern Africa, for example, a UN-sponsored peace process might serve Soviet interests by heading off a settlement worked out solely under US auspices and by complicating Western debates on providing arms to insurgents fighting Soviet clients.
- Deployment of UN peacekeeping forces to monitor settlements to regional conflicts. If the Soviets and their clients were able to obtain acceptable arrangements in Afghanistan or Cambodia, they might view the deployment of UN forces as a means to turn global opinion against any remaining insurgents and to forestall a renewal of outside aid to the opposition forces should internal political arrangements break down.
- The formation of new organs or the intensification of activity in existing UN bodies to promote cooperation on nuclear energy issues, medical research, transnational environmental problems, international legal and commercial questions, and other functional areas where the Soviets believe they stand to gain from relatively straightforward, depoliticized interaction with other countries. [redacted]

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As long as Soviet activism at the UN is confined primarily to rhetorical proposals and lofty statements of intentions, the USSR runs a limited but definite risk of damaging its credibility with many Third World states, which at some point are likely to demand that the Soviets come across with specific proposals and concrete action. Moscow is most vulnerable in the economic sphere: if the UN is able to get down to serious North-South bargaining on development aid and debt, the Soviets face being left on the sidelines unless, as we deem unlikely, they are willing to devote far greater resources to development assistance. [redacted]

We continue to believe, however, that the Soviets are not likely to accept any new mechanisms that could, in practice, limit their freedom of action. Indeed, Moscow's call for an increase in UN authority was probably made with the knowledge that it would be rejected by other members of the Security Council and that the Soviets would never face the problem of "binding" UN action against their interests. [redacted]

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**New Light on Restructuring of
Foreign Policy and the
Ministry of Foreign Affairs** [redacted]

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Newly published speeches by General Secretary Gorbachev and Foreign Minister Shevardnadze reveal that there has been a sharper break with President Gromyko's legacy at the Ministry of Foreign Affairs (MFA) than had been suggested by [redacted]

[redacted] Soviet public statements. The speeches were published in the first two issues of a new journal for diplomats, the *Journal of the USSR Ministry of Foreign Affairs*. They include Gorbachev's 23 May 1986 speech to the MFA, which marked the beginning of the MFA's restructuring and decisively rejected Gromyko's "dogmatic" approach to the conduct of foreign policy; Shevardnadze's 3 May 1987 speech to the MFA, assessing progress there after one year; and a 27 June 1987 speech of Shevardnadze to the MFA's Diplomatic Academy and Institute of International Relations (MGIMO), which discussed the education of diplomats. Previously, only brief accounts of these speeches had appeared in the Soviet press. [redacted]

Shevardnadze's MFA speech gave a more negative assessment of progress in restructuring the MFA than the account of the meeting published at the time suggested. He said ethical and professional values have now been restored, and improved working criteria are being established, but described the results so far as "extremely modest," stating that additional steps to improve the diplomatic service would be taken. [redacted]

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Personnel Policy

The new versions of the speeches make clear that Shevardnadze was given a mandate to overhaul personnel practices at the MFA. Gorbachev called for major changes in cadre policy, particularly a new approach to the evaluation of personnel and an end to nepotism, and demanded a careful evaluation of the capabilities, knowledge, and competency of every worker. Shevardnadze echoed this message. [redacted]

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The publication of these speeches in a relatively obscure diplomatic journal suggests that their message is aimed particularly at Soviet diplomats and foreign policy specialists rather than an external audience. Their appearance sends a message that Gromyko's overall approach to foreign affairs as well as many of his policies is being discredited. The delay between Gorbachev's speech and its publication is highly unusual, presumably reflecting a desire at the time of the speech not to embarrass Gromyko. Its publication now would appear to reflect Gromyko's further loss of influence. [redacted]

Both leaders made it clear that eliminating corruption in the MFA is a top priority. In the months after Gorbachev's speech, there was an extensive investigation of corruption at MGIMO and the Diplomatic Academy. Shevardnadze emphasized that higher standards had now been introduced in these institutions, adding that for the first time in many years there were "truly competitive" admissions to MGIMO. [redacted]

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Gorbachev's scathing critique of Gromyko's inflexible approach to foreign policy was not evident in previous accounts. The General Secretary argued that the USSR must not be so persistent in defending its positions that its behavior amounts to "thoughtless obstinacy," saying that this pattern had earned Soviet diplomats the sobriquet "Mr. Nyet," a phrase his audience must have recognized as one often used by the Western press to describe Gromyko. Gorbachev insisted that Soviet diplomacy be more conciliatory in both style and tone. [redacted]

The Foreign Minister stressed that those who failed to adapt to new standards would be penalized. He stated that personnel would be evaluated on the basis of their understanding of the new thinking, and how skillfully they translate it into practice. He called for managers who encourage talent rather than merely ensuring obedience, condemning the continued predominance of supervisors who were either "immoderately arrogant" or insufficiently independent. [redacted]

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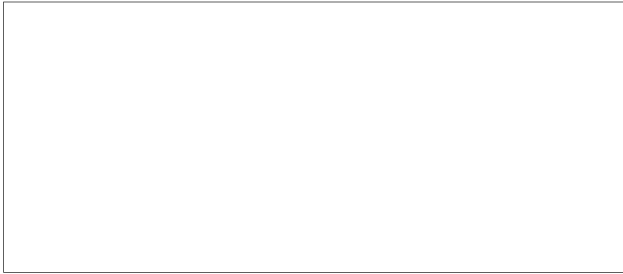
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Shevardnadze emphasized the need for alternative views on foreign policy questions, and, in an apparent swipe at Gromyko's management style, he condemned "claims of infallibility." He urged MFA officers to stand up for their views and encouraged them not to "yield under pressure in a cowardly manner." He indicated that a clearer evaluation of past policies could prevent repetition of mistakes, arguing that in the past "we have not always received the results that we counted on." [redacted]

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Shevardnadze revealed that his tough measures to clean up the MFA are meeting strong resistance. He stated that "many comrades" are "insulted" and feel that the revelations about past mistakes are having a "negative effect" on the "prestige and authority" of the MFA. Defending his policies, he argued that purifying our ranks "can only benefit us with regard to our authority within the country and abroad."

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"New Thinking" and Foreign Policy

Gorbachev explained that the link between foreign policy and domestic policy is "two-sided" and emphasized that foreign policy must better serve domestic needs. At the same time, he indicated that Soviet domestic problems have had an adverse effect on the Soviet Union's influence abroad, saying that this was one reason why detente had been replaced by a "new wave of the cold war." With the recent improvement in the Soviet domestic situation, he noted, there has also been an improvement in the international situation. [redacted]

Perhaps the most striking departure in Shevardnadze's speech was his apparent questioning of the long-standing premise of Soviet diplomacy that class struggle must be the overriding concern in foreign policy. Arguing that Soviet diplomacy must take greater account of the problems the Soviet Union shares with the West, particularly survival in a nuclear age, he said, "There must be no lines of demarcation between that which is proletarian and that which is universal to all mankind." While reaffirming that the ideological confrontation between socialism and capitalism had not vanished, he said that "the search for points of contact" is now more important than emphasizing points of divergence. [redacted]

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The speeches make clear that a primary purpose of restructuring the MFA is to produce "new thinking" and flexibility in foreign policy. Shevardnadze alleged that Soviet policy is now based on a "new vision of the world," free from dogma and without myth and prejudices. Looking to avoid the impasses of the Gromyko era, Gorbachev told diplomats to get away from prejudices that lead to "dead ends" and prevent a realistic assessment of events. He urged Soviet diplomats not to look at policy only in terms of the USSR's own interests, saying that improvement in international relations will be difficult if each state is "unable to meet its diplomatic partners halfway" and "to cooperate with them." [redacted]

At the Diplomatic Academy, Shevardnadze criticized conformism in foreign policy thinking, indicating that he wanted a more open discussion. He complained that recently there have been interesting articles on many topics, but not on foreign policy, and asked rhetorically if comrades thought it would be impossible to conduct foreign policy differently. He decried the "acute inadequacy" in the theoretical underpinnings of Soviet foreign policy, stating that it was an "iron necessity" to overcome this "deficit." [redacted]

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For his part, by encouraging more innovative approaches to foreign policy issues, Shevardnadze apparently hopes to enhance MFA influence in foreign policy decision making. He criticized attempts to exclude the MFA "from the resolution of questions that pertain directly to its competency," stating that the MFA had been "bypassed" on many important questions. [redacted]

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Implications

This push for "new thinking" is in large part an attempt by Gorbachev to overcome the loss of initiative and the moribund quality that characterized much of Soviet foreign policy in the latter years of the Brezhnev era. This lack of innovation resulted in little or no diplomatic progress on such crucial issues as the NATO INF deployments, relations with China, the USSR's influence in Middle East politics, and US-Soviet relations, including arms control. The push for "new thinking" has also been demonstrated by Gorbachev's shakeup of both the party's and the MFA's organizational structures and the removal of ancient ideologues such as the former head of the CPSU International Department, Boris Ponomarev, and the introduction of less narrowly ideological figures such as Shevardnadze and Dobrynin into central foreign policy roles. Moscow's current vigorous diplomacy vis-a-vis the United States, Western Europe, and China is undoubtedly one result. [redacted]

Moreover, [redacted] the emphasis in these speeches on "new thinking" and new standards has had more than rhetorical effects in the MFA. For example:

- [redacted] Shevardnadze in 1986 instituted a new antinepotism rule that would in theory prevent several members of the same family from working at the Ministry.

- [redacted] following Gorbachev's address the Ministry ordered radical changes in the system of diplomatic reporting. Diplomats were enjoined to make a greater effort to gather information firsthand rather than to rely heavily on the local press. 25X1

- To improve the flow of new ideas into the MFA, Shevardnadze has reportedly recently created a research coordinating council headed by former USA desk deputy Shustov to act as a bridge to the academic institutes. [redacted] the council will ask the institutes to take long-range looks at international problems and prepare planning studies on Soviet foreign policy. 25X1

Partly because of such changes, under Shevardnadze's vigorous leadership the MFA is evidently regaining some of the influence it lost to the International Department immediately after the sacking of Gromyko. [redacted] 25X1

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Criticizing Soviet African Policy [redacted]

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An article in the *Literaturnaya gazeta* of 7 October is sharply critical of past Soviet policy toward Africa and is one of the first indications that *glasnost* is reaching into the realm of foreign policy. The article claims Soviet African policy is made by people who are largely ignorant about Africa and whose policies, consequently, are either embarrassing to the Soviets or are unrealistic and ineffective. Written by Boris Asoyan, a leading specialist on Africa, the article may reflect advice Asoyan is giving to the Ministry of Foreign Affairs (MFA) in his capacity as MFA adviser. [redacted]

Stereotypical Thinking

For several decades, the Soviets have been compiling inaccurate information on Africa, according to Asoyan. He claims that the Soviet system has prevented officials and journalists from clearly and objectively assessing the situation in Africa and Soviet-African relations. Even under *glasnost*, says Asoyan, journalists are still edited or write with fear of editorial rebuke, leading them to perpetuate the "false stereotypes" and "myths" about African countries that tend to shape Soviet views of Africa. Even though *glasnost* has been supported officially, Asoyan claims that "the breaking of false stereotypes and the banishment of myths is more difficult in international than in domestic journalism." [redacted]

Asoyan is especially critical of Soviet journalists who write about Africa. Those who actually travel to Africa, he says, write about Africa's "struggle against imperialism" by quoting "kind words" from real or imaginary Africans. He accuses some journalists of pretending to travel to Africa but actually staying in Moscow, rewriting articles from the Western press according to the official Soviet line, and quoting "mythical Black friends." Asoyan is concerned that these shoddy journalistic practices allow the Soviets to delude themselves into believing that all of black Africa supports the Soviet Union, thinks like the Soviet Union, and will adhere to Soviet policies in the international arena. Indeed, he notes these Africans

sometimes do not like or even know the Soviet Union and do not understand the subtleties of "class struggle." [redacted]

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Distorted Decisionmaking

Asoyan argues that the distorted information base has contributed to the formation of ineffective Soviet policies, some of which have embarrassed Moscow in the international arena. Asoyan points out, for example, that the Soviets supported Uganda's Idi Amin, ignoring the fact that he annihilated thousands and that Soviet journalists reported "in relatively benevolent tones" the murder and cannibalism carried out by Central African Republic "Emperor" Bokassa. [redacted]

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Asoyan claims that other policies, such as Soviet economic policy toward Africa, have been inadequate in light of the actual situation in Africa. He is critical of Soviet optimism about the economic situation in Africa, claiming the Soviets thought Africa would become "one of the most flourishing continents." Ignoring coups, falling living standards, economic devastation, and such poor prospects that "nobody can offer any formula for the future," Soviet journalists, according to Asoyan, have written for the past 20 years that these countries have "achieved some successes on the path of building a new society." Asoyan complains: "It is as if we were still looking at Africa from the sixties, when we were just getting to know it and had no clear ideas of its problems and its life." [redacted]

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Asoyan points out that Soviet expectations that newly independent African countries would flourish under a "noncapitalist path of development" were unrealistic. He notes that the Soviet approach to the development process "concealed the truth, shamelessly glossing over unpleasant realities, passing off wishes for reality, and bending the facts to fit theories and models."

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He criticizes Soviet economic cooperation and the lack of reporting on it, stating that Soviet journalists avoid the issue "although there are plenty of examples of unsuccessful cooperation." He calls for a realistic assessment of Soviet aid to Africa, decrying the inappropriateness of Soviet aid (for example, trucks with heating systems) and the failures of Soviet assistance, such as factories built by the Soviets that do not function profitably. [redacted]

Implications

Asoyan's article appears to be responsive to Soviet calls for "new thinking" in foreign policy. Given Asoyan's ties to the leadership, his article may also reflect a broader concern in the leadership about the effectiveness of Soviet African policy. Gorbachev himself, speaking at an MFA conference in May 1986, reportedly made the point that the Soviet Union had forgotten Africa. In the MFA, the problem of Africa was addressed in part by creating the Non-Aligned Movement Department. [redacted] the new department was created to give particular impetus to Soviet policy toward the Third World, which [redacted] the USSR had ignored in the past, and to provide greater dynamism and coherence to Soviet policy.

[redacted]

[redacted]

Secondarily, the article also may have been intended as a signal to Africans that the Soviets will reexamine their relations with some African leaders and monitor

their assistance programs more closely. Moscow does not have the resources to keep its African clients afloat economically and at the same time give them enough military aid to keep their counterinsurgencies at bay. The Soviets, in fact, have recently been encouraging some of their African allies to look to the West for economic assistance. [redacted]

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Part of the reexamination may involve a more cautious approach toward new African leaders, particularly in extending support. The Soviets reported factually on the coup in Burkina in October 1987, for example, but are still refraining from expressing support for new leader Blaise Compaore [redacted]

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A change in the role of Soviet foreign studies institutes called for by the Soviet leadership also may have made Asoyan's article possible. [redacted]

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[redacted] one of the changes within the foreign policy making apparatus under Gorbachev is the enhanced role of the institutes, which now are to produce analytical reports that can be used by the policymakers to formulate policy and follow-up action, as opposed to their previous role of producing statistical and factual reports on a given area.

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Moscow Holding Fast to the 12th Five-Year Plan []

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When Mikhail Gorbachev was elected General Secretary of the CPSU in March 1985, he laid out ambitious plans to modernize the USSR's industrial plant and equipment and accelerate economic growth. Two years into the 12th Five-Year Plan (1986-90), however, the performance of the economy, while not without its bright spots, has fallen well short of Gorbachev's goals. After a surge in 1986, the economy sputtered again this year as the leadership struggled to implement seemingly contradictory economic programs. Still, the Kremlin has not backed off the high targets set for 1986-90. Unless some modifications are made to give the economy time to adjust to the wide-ranging changes being implemented, Gorbachev's efforts to modernize the economy and, at the same time, step up the rate of economic growth are likely to continue to undermine each other. []

Performance Under Gorbachev

The performance of the Soviet economy during the first two years of the current five-year plan (FYP) generally has fallen short of the target (see table 1). Overall industrial production, for example, has been sluggish, increasing by 3 percent in 1986 and by slightly less than 2 percent in the first three quarters of 1987. In regard to specific branches of industry, the leadership has special reason for concern about the poor performance of civilian machine building—the linchpin of Gorbachev's modernization program. Machinery output was planned to increase by 7.5 percent annually during the 12th five-year planning period. [] however, civilian machinery output increased by about 5 percent in 1986 and showed little or no increase during the first three quarters of 1987. A recent *Pravda* editorial called the poor performance of the machine-building sector “extremely alarming.” []

Consumer-oriented production and domestic trade have also been problem areas. During the first three quarters of 1987, production of consumer durables dropped, light industry output increased by only about 2 percent, and the growth of output of processed foods

fell. Per capita retail sales from January through September 1987 made no gain compared with the same period a year ago, the first such occurrence since 1982. []

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The energy sector, on the other hand, has been a success story. Oil production last year reversed a two-year decline and increased by 400,000 barrels per day; production at the three-quarter mark this year was up 2 percent. Natural gas and electricity have posted significant gains as well. []

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Agriculture also has propped up economic performance. It posted a record level of output last year and will probably come close to matching 1986 output this year. A second consecutive good grain harvest appears in the offing. []

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On balance, on the basis of results through the first three quarters of the year, we estimate that GNP and industrial production increased by 1 to 1.5 percent and 2 to 2.5 percent, respectively, in 1987. []

Cause of the Problems

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The faltering performance of the Soviet economy, in our view, has resulted primarily from contradictions in the implementation of Moscow's plans and policies to revitalize the economy. In particular, we believe that:

- The overly ambitious output targets in the 12th FYP are incompatible with one of Gorbachev's primary goals, which is to produce more high-quality products. []
- Enterprises are not being given the time and opportunity to stand down to retool and modernize their production lines. []
- Little or no account has been taken of the disruptions that inevitably occur with changes in planning and management. []

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Table 1
USSR: Comparing Economic Plans and
Performance for Selected Sectors

Average annual rates of growth in percent

	Actual ^a			Plan	
	1981-85	1986	1987 ^b	1988 ^{c d}	1986-90 ^d
Gross national product	1.9	3.8	1.0 to 1.5	4.0	3.9
Industry	1.9	3.1	2.0 to 2.5	4.5	4.6
Machine building and metalworking (civilian) ^e	3.5	4.9	1.0 to 1.5	7.1	7.4
Agriculture ^f	2.1	7.3	-1.0 to 0	3.4	3.3
Transportation	2.3	3.9	NA	NA	2.3
Trade	1.6	-0.2	NA	NA	3.9

^a Based on value added at 1982 factor cost.

^b Projections based on nine-month performance.

^c Plan for 1988 compared with the plan for 1987.

^d Based on gross value of output.

^e Soviet plan believed to include both civilian and military production.

^f Based on value of farm output net of feed, seed, and waste in 1982 average realized prices; includes purchases from outside the sector.

[Redacted]

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New programs being put in place are already causing serious dislocations. The introduction of a quality control system in civilian industry at the beginning of 1987, for example, led to wide-scale rejection of products coming off assembly lines, and new financial and managerial arrangements are causing confusion at many enterprises. [Redacted]

Holding Fast to the Five-Year Plan

Nonetheless, few adjustments apparently have been made so far to reduce the tension among plan targets. Using new information released by the Soviet State Committee for Statistics on output growth and plan fulfillment, we were able to infer planned 1987 growth rates for major branches of industry on a monthly basis. These data suggest that, although 1987 targets for nearly all branches of industry except energy were reduced early in the year (see table 2), the targets were raised for later months. This means that the Soviets planned to "storm" late in the year in an effort to meet the original plan targets—a difficult task given earlier production shortfalls. [Redacted]

The 1988 Plan

Information on the 1988 Economic Plan also indicates that 1986-90 plan targets have not been lowered. In a major speech to the Supreme Soviet, Gosplan chairman Talyzin said that the plan targets for 1988 are in line with or "slightly exceed" those in the 12th FYP. Moreover, the limited number of published output targets for 1988 suggests no letup from the very rigorous goals Gorbachev has laid down for the 1986-90 planning period. [Redacted]

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The plan for 1988 implies that GNP and industrial output are to rise by 4 percent and 4.5 percent, respectively, over this year's plan targets—in line with the 1986-90 goals but roughly double the average annual rates of growth posted so far. In addition, some even more ambitious new tasks have been levied. Goals for gains in productivity and resource conservation, for example, have been raised markedly. The FYP already calls for 65 to 70 percent of the growth

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Table 2
USSR: Targets for
Industrial Production

*Average annual
rates of growth
in percent*

	1987 ^a	Jan-Mar ^b	Jan-Jun ^b	Jan-Sep ^b
Materials	2.2	1.0	1.2	1.8
Ferrous metals	1.0	0.2	0.7	0.9
Nonferrous metals	1.3	1.1	1.6	1.8
Chemicals	4.4	1.7	2.2	3.3
Wood products	2.7	0.2	0.1	1.2
Construction materials	0.7	1.5	1.3	1.2
Energy	2.2	2.7	2.1	2.2
Fuels	0.6	2.0	1.0	1.0
Electric power	4.1	3.5	3.4	3.7
Machinery	8.1	3.5	2.6	5.3
Consumer nondurables	1.3	-0.2	1.2	1.1
Light industry	3.2	1.3	2.5	2.8
Food industry ^c	-0.4	-1.6	0.0	-0.4

^a Calculated from plan data published in *SSSR v Tsifrah v 1986*, pp. 12-13, 100-107.

^b Planned growth rates were calculated from data published in the State Committee for Statistics report on fulfillment of the industrial plan for January-March, January-June, and January-September.

^c Planned growth for the food industry is available for only a very small sample of products. Moreover, output levels or most food industry products were very high in 1986.

in fuels and raw materials output to come from resource savings rather than increased production. During the 11th FYP, however, the Soviets managed to fulfill only about two-thirds of the plan for energy savings and, to date, we have seen no improvement in Moscow's ability to conserve energy. In fact, in 1986 the energy-to-GNP ratio for the USSR increased slightly. Meanwhile, enterprise managers have been directed to increase the use of second and third shifts at their plants and to place greater emphasis on technological advances. []

A major feature of the 1988 plan is an increased emphasis on the consumer. The 12th FYP already contained impressive targets for improving the lot of the consumer. For example, output of nonfood consumer goods was to increase by 35 percent by 1990;

services by 50 percent; and real per capita income—a key Soviet measure of consumption—by 14 percent. Soviet authorities have raised the original goals for housing construction during the past two years, and the 1987 target for production of consumer durables was raised as well. Moscow also has introduced several other new consumer programs:

- New laws have been passed extending the boundaries of private activity and permitting the formation of producer cooperatives intended to increase the supply of services by drawing additional labor to the service sector.
- Enterprises have been assigned mandatory quotas for providing services to the population. Machine-building enterprises, for instance, are being ordered to set up service centers to repair the appliances that they manufacture.

For the most part, however, planned targets have not been met, and the leadership's actions thus far might best be characterized as looking for inexpensive ways to improve the consumer's lot. []

Judging from Gosplan chairman Talyzin's speech on the 1988 plan, the "on the cheap" approach to meeting consumer needs may be changing: []

- Investment resources allocated to the so-called non-productive sphere have been increased over that originally called for in the 12th FYP. Housing construction, in particular, is to be stepped up, and investment going to other consumer-oriented facilities such as preschools, retirement homes, clubs, and theaters is to be raised as well.
- Average monthly wages are to rise almost half a percentage point above that called for in the current FYP.
- Targets for the production of food, soft goods, and consumer services (including personal care, repair, personal transportation, and recreational services) have been raised. []

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Meanwhile, the regime's investment policy seems to be largely on track. The 1988 plan calls for new fixed investment to increase by 3.6 percent. Although somewhat lower than the approximately 5-percent annual rate of increase planned for 1986-90, this target is not unexpectedly so given the larger-than-average increases in new fixed investment in 1986 and apparently 1987 as well. In light of the regime's continuing commitment to high output targets, it is hard to see how targets for investment growth could be cut very much; the investment plan still looks like a mismatch when compared with the 1986-90 production targets. The plan implies a sharp reduction in the USSR's incremental capital-output ratio (ICOR) for branches of "material" production—the increase in productive fixed capital required per ruble of growth in Soviet-style national income (see table 3). The ICOR implied for 1986-90 is much lower than any ratio since the 1960s. Because the increase in the number of people working in material production will be insignificant, the Soviet Union has to be counting on a combination of large improvements in the quality of fixed capital and the efficiency with which it is used. This may well be a major flaw in the 1986-90 plan because, we believe, the collection of actions taken to improve the quality of investment or management will not have a large impact during this period. [redacted]

The published versions of the 1988 plan and budget say almost nothing about defense. As usual, the only information provided is the single line entry for defense in the state budget. This figure for 1988 is the same as for 1987. We believe the budget number is manipulated for propaganda purposes—by Moscow's own admission, it covers only a fraction of total defense spending. Nonetheless, given the regime's investment and consumption goals, economic growth in 1988 will have to exceed 1987's lagging pace or there will be little room for real growth in defense spending. Moreover, some evidence indicates that military spending could be reduced:

- Since the June plenum, several high-ranking political and military spokesmen have publicly stated that the USSR intends to reduce military spending in an effort to accelerate economic growth.

Table 3
USSR: Incremental Capital-Output Ratios (ICORs), Past and Planned

Billion rubles

	Increase in Material Production ^a	Increase in Productive Fixed Capital ^b	ICOR
1971-75	67	274	4.1
1976-80	57	354	6.1
1981-85	57	420	7.3
Plan 1986-90	135	471	3.5

^a Essentially GNP less the labor component of services to the population and government in 1982 prices. The increases in both production and fixed capital represent values in year (t) minus values in year (t-5).

^b 1973 estimate prices. Productive fixed capital represents total fixed capital less that found in the so-called nonproductive sphere—housing, health, education, and the like.

- Several high-level Soviet officials recently stated that the defense industries have not made their "expected contributions" to the retooling of both the light and food industries and indicated that Moscow will more actively enforce compliance in the future. If the defense industries are required to make up for past years' inattention to light industry's needs, this enforcement might reduce the resources available for weapons production. [redacted]

Implications

Gorbachev may perceive pressing reasons to adhere to the original output targets of the 12th FYP. Politically, the General Secretary may judge that he cannot impose reductions given his close association with the plan. At the beginning of the planning period, for example, he remanded the FYP to Gosplan for revision before the 27th Party Congress, rejecting at least three drafts as underambitious. In contrast, more conservative Soviet leaders, such as "Second Secretary" Ligachev, have warned of the perils of undue haste in implementing Gorbachev's programs, and

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New Planning Practice

Moscow's decision not to back off from the taut production targets contained in the 12th Five-Year Plan is consistent with Gorbachev's commitment to stability in the planning process. The General Secretary has promised that once five-year plans are approved they will not be changed during the planning period. By doing this, Gorbachev is hoping to get a more smoothly functioning economy. Enterprises and ministries, for example, would be more certain of their tasks and could plan accordingly. The economy would be more balanced as a result, particularly later in the planning period. Under the traditional practice of planning from the "achieved level," the frequent adjustments made to production targets during the course of the planning period resulted in dislocations and bottlenecks because of the uneven development of different sectors of the economy. The new planning philosophy has been incorporated into the 1988 plan. Output targets in the 1988 plan are given as a ratio of planned 1987 production goals.

Planning from the "planned" rather than the "achieved" level could, nonetheless, have adverse implications for Gorbachev's program to modernize the economy. Under this system, production shortfalls are not forgiven—that is, they carry over from year to

year and have to be made up by the end of the planning period. As a consequence, actual targets are likely to be unrealistically high during the remaining years of the five-year planning period. For example, because most 1987 goals probably will not be met, the targets for next year are higher than the goals in the 1988 plan. This could mean that:

- *Managerial and worker bonuses will be smaller, possibly sapping worker productivity. (One-third of the increase in labor productivity being counted on by the leadership during 1986-90 is to come from "human factors.")*
- *As enterprises scramble to meet the targets, the economy is likely to be stretched more tautly than would otherwise have been true. As some sectors do better than others, dislocations are inevitable—the very thing the new planning technique is intended to preclude.*
- *The higher targets are likely to get in the way of the regime's efforts to raise the quality of production. Managers will be even more reluctant than before to modernize and retool manufacturing facilities.*

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Gorbachev may be concerned that any retreat from his rapid growth policy might seem to concede the superiority of their more cautious approach.

Gorbachev may believe that retreat from his original growth targets is inadvisable on economic grounds as well. In particular, he may believe that serious bottlenecks will develop unless he adheres to his pledge to make five-year plans stable (see inset).

Gorbachev realizes, furthermore, that his program for revitalizing the economy depends heavily on the support of workers. Initially, the regime relied on the discipline and antialcohol campaigns to raise worker productivity. Speaking at the June plenum, Gorbachev said that the momentum from these programs had been lost. The increased attention to the consumer in the 1988 plan seems to be aimed at eliciting the

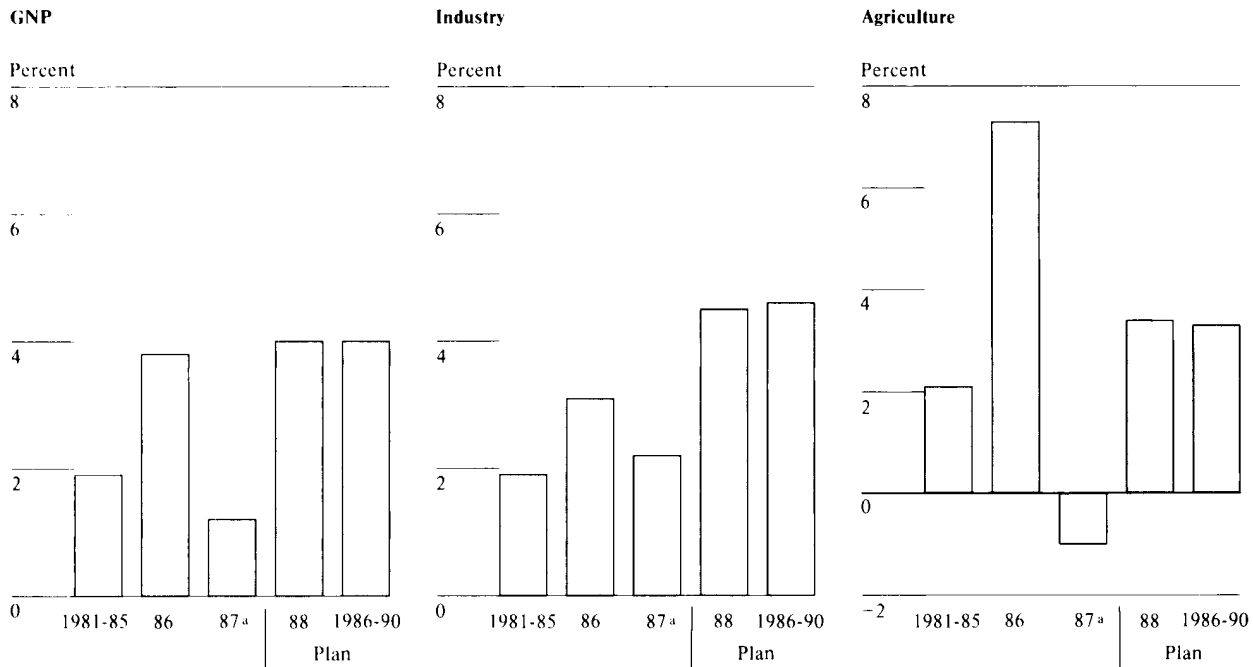
kind of motivated work the regime is counting on to be a key element of renewal. In addition, by trying to increase supplies of consumer goods, the Kremlin probably hopes to soak up the excess purchasing power in consumer hands brought about by the reduced availability of alcoholic beverages and to quiet public discontent over other aspects of his program. Several incidents of protest and work stoppages by disgruntled workers have occurred this year.

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Whatever Gorbachev's motives, the limited data released on the 1988 plan strongly suggest that he intends to proceed full bore with the ambitious targets for growth during the current five-year planning period (see figure). In our judgment, the consequences of this decision are likely to include a continuation of

USSR: Economic Growth, 1981-90



^a Preliminary.

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the sputtering growth and quality control problems that have plagued the economy in 1987. Growth is likely to fall short of the General Secretary's plans, and Gorbachev's modernization program—the cornerstone of his policies for improving the performance of the Soviet economy—is going to be delayed and could even fail without some slackening of the 1986-90 plan targets. [redacted]

At the same time that the Soviet leadership is dealing with whether or not to adjust the current FYP, it will be formulating its resource allocation guidelines for the next FYP (1991-95). To meet the requirements of the planning cycle, these guidelines probably will be given to the economic planners about the middle of 1988. The first major step in the process—formulation of the plan for development of the armed forces—probably is already under way. [redacted]

The task of pulling together the 13th FYP will be difficult. It is not yet clear, for example, how much progress will be realized in modernizing industry during the current FYP, especially in the machine-building sector. Will growth dividends, for instance, be large enough to give generous increments to consumers and defense, as well as to investment, during 1991-95? The answers to such questions are not yet apparent. A great deal of uncertainty also surrounds the many new measures currently being implemented or in train. In sum, the 13th FYP is likely to be one of the most difficult plans to pull together in some time.

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Bleak Outlook for Soviet Drive To Increase Equipment Use in Machine Building

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The majority of machine-building enterprises work only one shift. This is an inadmissible extravagance in the use of national wealth.

*Soviet Premier N. I. Ryzhkov
June 1986*

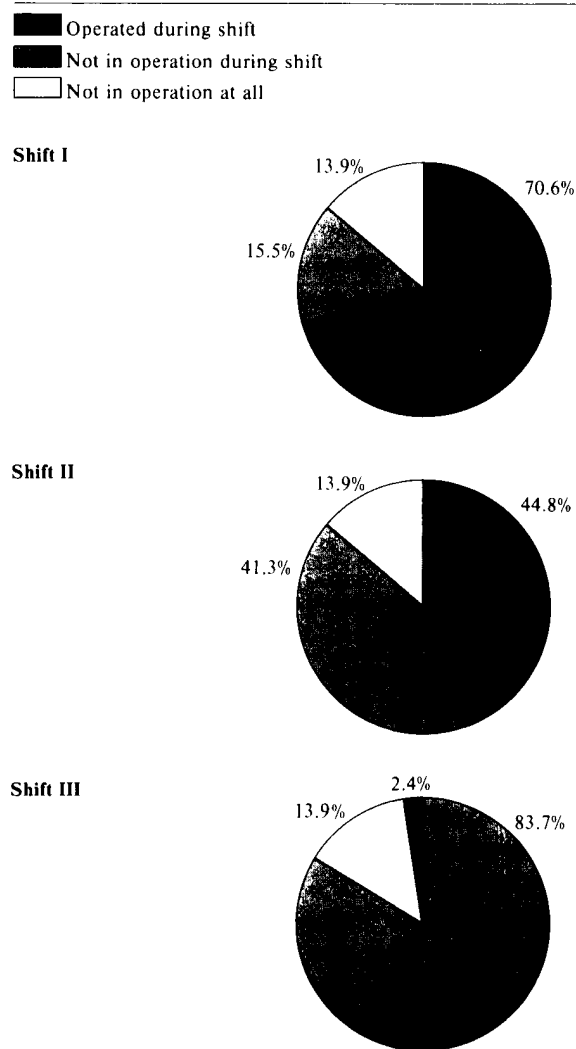
In his attempt to intensify industrial production and speed the introduction of new equipment and technologies into the economy, General Secretary Gorbachev has called on the critical machine-building sector to increase its low rate of equipment utilization. After nearly 18 months, however, the formal program launched to achieve the party chief's goals has proved highly disruptive and even counterproductive. Although some of the problems may dissipate, substantial improvement in capital use is unlikely through the remainder of the current five-year plan (1986-90).

The Equipment Shift Coefficient: Focus of Gorbachev's Plan

For the most part, civil machine-building plants stand idle during the swing and night shifts (see figure 1). The utilization of equipment at these facilities—as measured by a Soviet index known as the equipment shift coefficient (ESC)—has for the past 20 years remained at about half its theoretical potential. Gorbachev and other top-level Soviet officials have decried this underuse of capital and have called on machine builders to increase the ESC by some 20 to 30 percent overall and by an even larger margin in the application of key technologies (see figure 2). The idea is to move workers off old machinery and equipment and onto a second or third shift using newer, more efficient production lines already in place. Simultaneously, the older lines are to be removed and replaced by the “highest quality” new production equipment.

The Soviets have not released exact figures on the number of machine-building enterprises that are or will be working on two or more shifts. With the exception of the Ministry of Instrument Making,

Figure 1
USSR: Utilization of Equipment in
Civil Machine Building, 1985



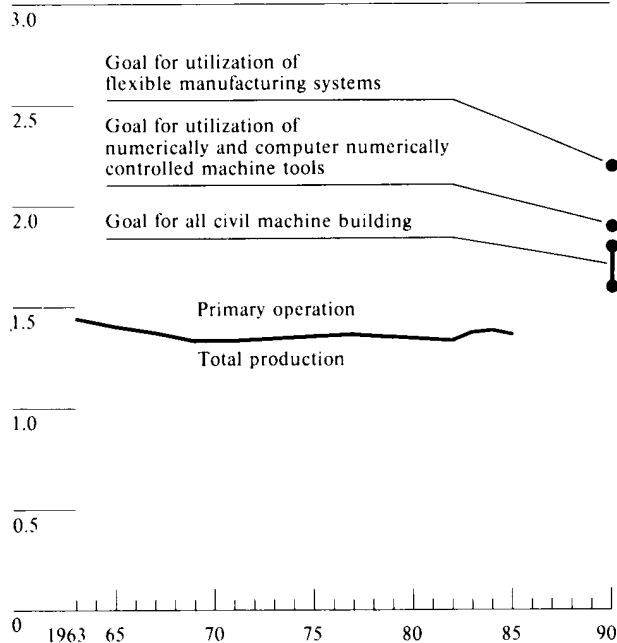
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Figure 2
USSR: Actual and Planned Shift Coefficients in
Civil Machine Building, 1963-90



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Automation Equipment, and Control Systems—whose minister claimed early last year that plants subordinate to his ministry already had begun work on two shifts—the Soviets have not disclosed that any major civilian machine-building sectors have been converted in toto. Similarly, the extent to which the defense industrial ministries are or will be included is unclear. An analysis [redacted] indicates, however, that at least some defense producers have been instructed to boost the ESC for numerically controlled machine tools and other advanced equipment. [redacted]

Since its initiation, the new system of multiple shift operations and in-place equipment renewal has been expanded geographically rather than along ministerial

lines. Indeed, Soviet Premier Nikolai Ryzhkov asserted in a public speech in March of this year, that “the transfer to the multishift regime is possible only on a regional basis.” The geographic focus reflects the need for expanding hours for transport, retail stores, and social services—activities that are more easily organized regionally than functionally. At the end of 1986, the Central Statistical Administration reported that multishift work had been introduced in the Leningrad, Kharkov, and Kursk Oblasts, the Latvian SSR, and other, undisclosed areas. The RSFSR was added this year, and in June the Soviet press reported that Moscow—a major center for machine-building activity—was initiating its conversion. [redacted]

To motivate machine builders—who, by Soviet acknowledgment, had grown comfortable with life on one shift—the leadership has authorized a number of material benefits. Workers who volunteer to work during the new shifts will be given preference in the allocation of trips to ministerial recreational facilities, and—in the case of the night shift—will receive free meals. In addition, as Gorbachev told a crowd in Riga during his February 1987 visit, the evening shift will receive wage increases of “an additional 20 percent in order to get it right and an additional 30 or 40 percent for a third shift.” [redacted]

Problems: Resistance and Obsolescence

Despite the inducements offered, machine builders have given the new initiative a cool reception:

- Yuriy Solov'yev, a candidate member of the Politburo and First Secretary of the Leningrad Oblast Party Committee, publicly acknowledged on Soviet television late last year that “it cannot be said that there is mass rejoicing because we are introducing two- and three-shift work.”
- According to the US Consulate in Leningrad, when a local factory decreed in the fall of 1986, that evening workers produce at least 40 percent of what is turned out during the day shift, the day workers cut back on their production in sympathy.

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- In August 1987 the Soviet regional press reported that many workers in the Asiatic republics—preferring unemployment or the black market—quit and walked off the job after being tasked to work evening hours. [redacted]

At the root of worker disenchantment with the new system is the absence of a supporting social infrastructure. As a Leningrad economist put it; “The move to the shift system was simply thrust on Leningrad enterprises without proper planning and preparation.” Public transportation generally shut down before the end of the second shift. Stores, restaurants, day care centers, and other service institutions continued to work regular hours. Only 60 percent of Leningrad’s second- and third-shift workers were provided hot meals, transport, and other services. One-half of polled shift workers were dissatisfied with city transport, 40 percent with trade services, and 33 percent with public dining facilities. Moscow has avoided these problems, leaving their resolution—and the costs of their resolution—to local authorities. [redacted]

Compounding the labor problems, plant managers have been hesitant to commit wholeheartedly to the program. [redacted] many machine-building plant managers fear breakdowns or other interruptions that would seriously jeopardize plan fulfillment. As the chief of a mechanical shop in Voronezh put it early this year, “We are afraid to load this equipment for two shifts. If we did, we would never have enough spare parts for them.” [redacted]

Performance and Prospects: Little Gain

The Soviets have yet to disclose openly the current value of the ESC in machine building, but an analysis of the Soviet central and economic press and reporting from the US Consulate in Leningrad indicate that the transfer to the multishift system—where it has been seriously attempted—has proved highly disruptive and even counterproductive. For example, an engineer at a major machine-building plant commented before a Leningrad lecture audience that all three shifts at his plant lacked sufficient numbers of qualified personnel to operate and repair the machinery. He also asserted that the productivity of the late shifts was only two-fifths that of the original single shift—at which three listeners interjected that the same situation existed at their factories. [redacted]

Problems With the Shift Coefficient as a Measure of Capacity Utilization

The Soviets are focusing primarily on the shift coefficient for machine-building plants of machine-building ministries. This value is much higher than at machine-building enterprises of non-machine-building ministries (1.10-1.15) and at machine shops of non-machine-building enterprises (0.3-0.5). Similarly, the average shift index in single-run and small-series production—the bulk of civil machinery production—was 1.28 in 1985, while it was 1.39 in series production and 1.48 in large-series production. Finally, the shift coefficient is reflective only of machine operation and not the time it actually has work in process. According to an article in a Soviet industry journal, in 1982 the average shift coefficient was 1.32, but equipment was being used only 62 percent of the time that it was turned on. [redacted]

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Moscow’s ultimate degree of success in raising the shift coefficient in machine building is dependent on several factors:

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- Worker resistance to working later shifts must be overcome by taking steps to bolster the social infrastructure and by helping to fund financial incentives.
- Managerial concerns about the impact of equipment failures must be assuaged through selective relaxation of output targets and/or a marked improvement in the supply of spare parts for machines and equipment.
- Those plants brought under the new system must be chosen more selectively; cost efficiency and enhanced productivity must play a larger role in this process.

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Few steps have been taken to address these concerns, however. The leadership has as yet given mere lip-service to the need to expand the social infrastructure,

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has offered no public solution to the added cost burden, and is continuing apace in bringing whole regions and economic branches under the multishift regime.

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Although some of the problems—such as low worker morale—may dissipate with time, the more fundamental disruptions caused by equipment breakage, spare parts shortages, and taut planning will probably prevent the Soviets from improving equipment utilization in machine building significantly by year's end. Meeting the targets set for 1990 may be possible for some selected technologies such as flexible manufacturing systems, where the numbers are small and the applications usually are high priority. The five-year plan targets for machine building as a whole, however, will probably remain underfulfilled.

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Notes

High Infant Mortality in Soviet Central Asia

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After a hiatus of over a decade, the Soviets recently published regional infant mortality statistics. The figures reveal a wide and growing disparity between the industrialized European regions of the country and the Muslim republics of Central Asia, where infant mortality rates are comparable to those in developing countries.

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The Reemergence of Mortality Statistics. In 1972 the Soviets called infant mortality "a sensitive barometer of the social, economic, and medical well-being of a society." A few years later, embarrassment over a rise in this indicator led to a halt in the publication of infant mortality statistics. The last reported figure was 27.9 infant deaths per thousand live births in 1974. Western demographers have estimated that infant mortality may have risen as high as 31.1 per thousand for the Soviet Union as a whole in 1976.

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In 1986 national infant mortality statistics were once again published. The figure now reported for 1986, 25.4 per thousand, is a considerable improvement over the mid-1970s, but it is still higher than the 1970 rate, and more than twice the infant mortality rates of other industrialized countries.

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The Regional Disparity. The regional infant mortality statistics show that the reported decrease in the national rate reflects improvements that occurred in the Slavic and Baltic regions of the Soviet Union. In contrast, infant mortality in the republics of the Transcaucasus and Central Asia remained high and in some cases increased. In 1970 the reported infant mortality rates in Central Asia were roughly twice the rates in the Slavic and Baltic republics—by 1986 they were roughly three times as great. Moreover, actual infant death rates in these areas may be much higher than the reported rates. For example, according to *Pravda*, in one area of Uzbekistan only 25 percent of infant deaths appear in hospital records.

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High infant death rates in Central Asia stem from a number of causes: epidemics of infectious and parasitic disease, poor sanitary conditions, polluted water, use of toxic pesticides and herbicides in fields where women perform manual labor, and inadequate health care. Standards of health care are well below those in the European regions of the USSR, and little or no progress has been made in

Table
USSR: Infant Mortality, by Republic

*Deaths of infants
under one year of age
per 1,000 live births ^a*

	1970	1980	1985	1986
USSR	24.7	27.3	26.0	25.4
Slavic republics				
Russian Republic	23.0	22.1	20.7	19.3
Belorussia	18.8	16.3	14.5	13.4
Ukraine	17.2	16.6	15.7	14.8
Baltic republics				
Estonia	17.8	17.1	14.0	16.0
Latvia	17.9	15.4	13.0	13.0
Lithuania	19.4	14.5	14.2	11.6
Transcaucasian republics				
Armenia	25.3	26.2	24.8	23.6
Azerbaijan	34.8	30.4	29.4	30.5
Georgia	25.3	25.4	24.0	25.5
Moldavia	23.3	35.0	30.9	26.4
Central Asian republics and Kazakhstan				
Kirgizia	45.4	43.3	41.9	38.2
Tajikistan	45.9	58.1	46.8	46.7
Turkmenistan	46.3	53.6	52.4	58.2
Uzbekistan	31.0	47.0	45.3	46.2
Kazakhstan	25.9	32.7	30.1	29.0

^a The Soviet definition of a live birth differs from that used by the World Health Organization (WHO). For example, if a child dies before it reaches the age of seven days, it is not counted as a live birth by the Soviets. As a result, Soviet infant mortality statistics omit an estimated 14.4 percent of infant deaths that would be counted under the WHO definition.

[Redacted]

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decreasing this gap in the last 20 years. Medical facilities in Central Asia are often crude and unhygienic, and medical staffs are poorly trained. Moreover, rapid population growth in the region is increasing the strain on the health system. [Redacted]

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Facing up to the Problem. The reappearance of regional infant mortality statistics is part of a broader effort under *glasnost* to increase the quantity and improve the credibility of official socioeconomic and sociological studies of a number of formerly taboo questions. [Redacted]

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Moscow has taken some steps to address the embarrassing and politically sensitive problem of high infant mortality in Central Asia. A delegation of 1,460 doctors and nurses was sent to the region last July and August to combat intestinal and other illnesses, which are epidemic in the summer months. According to TASS,

500 children were saved in Uzbekistan alone. Moscow is also promoting family planning in some parts of Central Asia to lower birth rates in relation to those in Slavic areas. [redacted]

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It will take a long-term and substantial commitment of resources to bring Central Asian infant mortality rates down to the level of the rest of the Soviet Union. Continuing rapid population growth in Central Asia, as well as competing investment priorities in other regions of the country, will make it difficult for Moscow to narrow the health care gap before the mid-to-late 1990s. [redacted]

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Soviet Statisticians on Improving Measures of Economic Performance [redacted]

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The decrees on reforming the management of the Soviet economy—adopted in July 1987 by the Central Committee and the Council of Ministers—include guidelines for the “radical improvement of statistical work.” In the October issue of the journal of the State Committee for Statistics (*Goskomstat*), two specialists affiliated with that agency have offered their proposals for revising the USSR’s system of national economic accounts, including key indicators of macroeconomic performance.¹ [redacted]

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Taken as a whole, these proposals reflect a desire to find better measures of the progress of *perestroyka*—and a willingness to deemphasize ideological considerations in the selection of economic indicators. They represent a clear break from the traditional system of “gross” indicators, which count the total value of output and encourage the wasteful use of energy and raw materials. Instead, indicators of economic performance are to focus on the distribution of output to final uses—such as consumption and investment—and the incomes originating in key sectors producing that output—such as industry and agriculture. Moreover, the proposals show evidence of an increased interest in assessing the USSR’s position in the world economy—by comparing its final output with that of other countries and by estimating its contribution to international trade and finance. [redacted]

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The decree on statistics stresses the importance of raising “the scientific and methodological standard” of work on the system of interrelated accounts showing the major sources of income and uses of output in the economy—often called national economic balances by the Soviets. The *Goskomstat* specialists offer the following recommendations:

- Distinguishing more clearly between final uses of output and other uses (in the production process), and estimating the final uses in more detail. Better integration of input-output tables into the rest of the system of economic balances is to assist in this process.²

¹ B. Ryabushkin and A. Remizov, “Directions of Development of National Economic Balance Accounts,” *Vestnik statistiki*, No. 10, 1987, pp. 22-30. [redacted]

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² An input-output table shows linkages, sector by sector, between gross output (including materials used in the production process), the final uses of that output, and the incomes of labor and other primary inputs to production. [redacted]

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- Refining estimates of the linkages between the sources and uses of final output. Efforts are to include improvements in *Goskomstat's* two main summary measures of economic activity, called national income produced and national income used. The size of the statistical discrepancy between these measures—sometimes as much as 2 percent—is to be reduced, and the reasons for the discrepancy are to be investigated more thoroughly.
- Developing estimates of gross national product—as this measure is defined by Western economists—for use in international comparisons of economic activity.
- Developing estimates of services and financial flows exchanged between the USSR and other countries, and integrating these estimates into Soviet national economic accounts.

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