

Economic Reform, Democracy and National Movements in the USSR

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Having lost its buffer states in Eastern Europe, the Soviet Union is confronted with a break-up from within. The three Baltic republics have embarked on the road to independence, and Georgia will most likely follow suit in short order. Many republics, among them the largest non-Russian republic, Ukraine, have asserted their political and economic sovereignty, and a quarter of the members of Ukraine's parliament advocate secession. Even Russia, under Boris Yeltsin, is marking its distance from Moscow. The Soviet anthem is played without words today, as the 'unbreakable union' disintegrates.

The crisis of the political, economic and social structures of the Soviet Union, and the rise of new political and social movements, have confronted us with information overload, a problem second only to that of perspective. Events are unfolding at a dizzying pace. Politics has acquired an unbelievably rich texture, with enormous national and regional variations. Sources of information have multiplied. (In Ukraine, for example, some 200 independent newspapers and bulletins were established within the last year and a half.) Clearly, there is a desperate need to understand, if possible, some of the basic laws of motion of the large unfolding drama of the national movements in the Soviet Union. In attempting to do this, we will draw heavily on developments in Ukraine, while at this same time including the experience of other republics.

Economic sovereignty is today considered a minimalist demand in the union republics. Even forces within the state and party structures in the union republics distant from national movements back this new arrangement. Economic sovereignty is popular even in regions such as Donbass, where the national movement's foothold is tenuous. (In Donbass, 45 per cent of the population is Russian and 90 per cent of Ukrainians living there are Russian-speaking).¹ Economic sovereignty is of course a rather elastic notion. But in essence it means the assertion of republican ownership over the means of production, the primacy of republican planning organs in organizing production and distribution, and the right to foreign trade. Advocates of economic sovereignty or independence are always careful to point out that it does not mean an abandonment of existing economic ties between the republics, but rather their restructuring on a new basis. For example, when

members of the democratic blocs of the Supreme Soviets of Ukraine and Russia met in September 1990 to sign a document supporting each other's claims to independence, they also declared themselves in favour of the establishment of direct, bilateral, economic ties between the two countries, which would by-pass the apparatuses of the central government.²

The drive for economic sovereignty is tied to the growing economic crisis in the USSR. The economic system which exists in the Soviet Union was never a viable one, although for a generation or more many believed that it was.³ The economy was always plagued by extreme inefficiency, waste and corruption. Since the late 1950s the rates of economic growth have fallen constantly, and, by the mid-1980s, had dropped almost to zero. Once the official figures are purged of the influence of expanded vodka sales and higher prices for Soviet oil exports during the Brezhnev years, it turns out that the USSR has been a no-growth economy for as long as 20 years. In fact, the situation became worse from year to year because of the operation of what H.H. Ticktin has called the 'law of increasing waste and inefficiency'. In Ukraine, for example, every fourth product of the machine-building industry is obsolete (by Soviet standards) the moment it leaves the factory. The Soviet economy spends 3.7 times as much steel and cement and 2.3 times as much oil as the American economy to produce a comparable unit of national income. Soviet agricultural production is 15 per cent less than the USA but it uses 3.5 times more energy. Up to one-third of all vegetables harvested rot on the farms, and the equivalent of the Canadian annual production of grain is lost during harvests in the USSR.⁴ A social formation based on this kind of economic irrationality could never last. As Mikhail Gorbachev noted, 'we have already arrived at a point where such a waste is not only intolerable, but simply unsustainable'.⁵

Because of this waste and inefficiency, acute shortages have reached alarming proportions, reinforcing the natural tendency of the units of the Soviet economy towards autarky. When supplies are unreliable every enterprise, and increasingly every republic, strives for self-sufficiency to ensure survival. Typical of this lack of specialization and the low level of socialization of production is the fact that three out of every four metal smelting plants of the Ministry of Non-Ferrous Metallurgy have their own herds of cows, and the remaining plants were criticized for failing to develop an agricultural sideline.⁶ The disintegration of the economy reinforced calls for local control of resources. If the Moscow City Council enacted regulations to ensure that only city residents could purchase goods in local stores, republics had all the more reason to assert their economic sovereignty. This is the reason why local control over the economy has become an imperative of economic crisis-management.

But this is not the whole story. The economies of the union republics

suffered enormously at the hands of the hypertrophied bureaucracy in Moscow. The centre imposed a division of labour on the union republics which has ravaged their economies. Nowhere is this more apparent than in the case of the Central Asian republics. One of the biggest myths of the Soviet nationalities policy is that the centre is needed to ensure equitable regional economic development. Consider for a moment the largest of the Central Asian republics, Uzbekistan, with a population of 20 million, of which 70 per cent is Uzbek. Jobs at enterprises controlled by Moscow were filled with Russian migrants, marginalizing the indigenous population. Indicative of this were the changes in the ethnic composition of Tashkent, the capital where most of the industry is concentrated. Before the Second World War, 90 per cent of Tashkent's population was Uzbek, but, by 1979, that declined to 42 per cent. In 1988, 45 per cent of the population of Uzbekistan lived below the officially designated poverty line, as compared to six per cent in the case of the population of the Russian republic.⁷ Cotton is one of Uzbekistan's economic mainstays, and central quotas for this commodity are 100 per cent of output. Uzbekistan has no textile industry to speak of. Rather, it ships cotton to Russia at controlled low prices and then buys it back at controlled high prices in the form of finished goods. In the meantime, ten per cent of the able-bodied work-force is unemployed, and the rate of underemployment is colossal.⁸ Small wonder that the republic has tried to establish control over its resources in order to develop a manufacturing sector and is seeking independent relations with the world market to obtain foreign investment to finance Uzbekistan's recovery. This new thrust has met with some success. Moscow's reluctance to ease restrictions on Uzbekistan's independent economic activity was a major factor hastening calls for the republic's economic independence.⁹

Ukraine offers another example of the problems in Moscow's economic relationship with the republics. Almost 95 per cent of Ukraine's economy is controlled by all-union enterprises with headquarters in Moscow and they are responsible for the distribution of over 90 per cent of what is produced in the republic. Less than a quarter of Ukraine's national income remains in the republic – the rest is repatriated to the centre. (Under the tsarist regime 45 per cent of national income remained in Ukraine.) Enterprises controlled by Moscow often repatriate 90 per cent of their profits. As was pointed out at the founding congress of Rukh, Ukraine's popular front, 'This does not even happen in Africa'.¹⁰

Starved for investment, the infrastructure of the economy is crumbling. Take the example of agriculture. Prices are set by the centre and Ukraine sells its agricultural commodities cheaply, and receives agricultural equipment set at artificially high prices. Through this operation alone, the republic loses over three billion roubles annually. All in all, if one takes the USSR average as 100, national income produced by a worker

in Ukraine is 77, whereas in Russia it is 117. Before the Bolshevik takeover, Ukraine had a higher level of economic development than Russia.¹¹ It is no wonder that control over local resources is seen as the first step in effecting an improvement of the republic's standard of living. Of great importance to Ukraine is the ecological devastation which has resulted from what Ukraine's head of the State Planning Commission, V. Fokin, called 'the lawlessness of the all-union ministries'.¹² The nuclear disaster at Chernobyl brought to Ukrainian public consciousness a profound sense of its powerlessness in the face of central control. One million people now live in areas contaminated by the nuclear fall-out. In April 1990, schools in Kiev were closed for the year because nuclear hot-spots were discovered in several of them. Nuclear energy is an all-union matter, and it was Moscow's decision to locate some 46 powerful nuclear power stations in Ukraine to generate electricity for export to Eastern Europe, not a kopeck of which returns to the republic.

The republic faces an ecological crisis of ominous proportions in other areas as well. In the city of Zaporizhia horrifying birth defects among newborns induced by the subjection of the foetus to heavily polluted air have started to occur at an alarming rate. In this region studies revealed that, in 80 per cent of cases, mothers' breast milk contained dangerous chemicals that had adversely affected the babies. In Chernivtsi, in Western Ukraine, children's hair fell out because of thalium poisoning.¹³ Local control of the economy is seen as a way of healing the ravages of mismanagement. As Fokin remarked, 'Our only hope, our only chance of improving the situation is economic independence . . . It is our last chance to avoid economic catastrophe'.¹⁴

Having concentrated economic power in its hands, Moscow has showed itself incapable of meaningful change. In the fifth year of *perestroika*, the USSR still waits for a bold economic initiative. The Gorbachev-Ryzhkov fiasco of introducing market reforms with dramatic price increases has only served to further discredit the centre's ability to lead. The government of Ukraine refused to ratify the economic package, and Ukrainian officials considered the reform proposal amateurish. These officials argued that any reform in the market direction must begin with putting into place new economic institutions, as well as a system to shield the population from potentially disastrous consequences such as spiralling unemployment (12–15 million for the USSR as a whole according to their calculations). Moreover, this reform left all of the levers of economic power in the hands of Moscow organs.¹⁵

Gorbachev's version of the Shatalin plan, introduced in October 1990, was a case of too little and too late. The mass demonstrations which gripped Kiev that month, led by students and widely supported by all sectors of the population, expressed complete mistrust towards

the unreconstructed central organs of the state charged with the implementation of economic reform.¹⁶ Disillusionment with the centre's ability to carry out an economic reform has resulted in a widespread belief that the USSR is too massive for economic problems to be resolved on an all-union level. Moscow is rudderless, and economic reform is blocked by the vested interests of central ministries. From the republic's point of view, the best way of escaping the Soviet economic system is to leave it.

Inasmuch as the thrust of all economic reforms being discussed today in the USSR is in the direction of the market, central control appears as an anachronism. One of the crucial questions of reform is the reintegration of the Soviet Union into an international economic division of labour. For the republics, the question is whether they will re-enter the world economy directly, or through the intermediary of Moscow ministries. The union republics are demanding independent access to world markets.

Interestingly, the union republics' drive for economic independence has not provoked a serious backlash from Russians. This is probably because the average Russian derives few of the benefits of his republic's dominant position in the Empire. It was always a peculiar empire. It absorbed some countries (notably the Baltic republics) which had a higher level of economic development than the core, and 40 years of control by the centre have not managed to change this discrepancy. It is an empire whose economy has been too weak to allow for the exercise of *indirect* control of the periphery through the normal capitalist mechanisms. Rather, control has been direct, through administrative means. This empire can only survive by maintaining an enormous apparatus at the centre to ensure the (inefficient) extraction of the surplus product. But whatever benefits accrued to Russia from this arrangement were largely consumed by this Behemoth, leaving the average Russian worker with little to show for belonging to the imperial power. If one disaggregates the economic data to remove the Moscow-Leningrad core from the economic statistics for the Russian republic, then it becomes clear that the average Russian has not been served well by this imperial hegemony.¹⁷ For example, in 1988, the Russian republic held eighth place among the 15 union republics in the per capita production of consumer goods.¹⁸ It is this which explains both support for the Baltic's declaration of independence by newly elected bodies such as the Moscow City Council, and Russia's own declaration of economic sovereignty under its new president, Boris Yeltsin. Russia, rich in Siberian natural resources, is proposing direct economic links with the republics, bypassing the mediation of the apparatus in Moscow.

Economic problems have had a profound impact on all other aspects of the development of national movements in the union republics. The language question is a case in point. In 1989, for instance, a new law

was passed making Ukrainian the official state language in the republic. Any visitor to Kiev and other cities of central and eastern Ukraine will tell you that Russian remains the dominant language of daily life. Yet most people supported making Ukrainian an official language because a unique state language would bolster Ukraine's claims for economic and political sovereignty. As a speaker at a large public meeting in Kiev in October 1989 put it, 'A sovereign republic needs a sovereign language'.¹⁹

Centrifugal forces will continue to develop in the USSR because the administrative centre has no effective mechanisms of economic integration at its disposal except for bureaucratic control. Neither does it have an ideology which could serve that purpose. The party, the traditional organizer of the totalitarian state, has become factionalized and federalized. In the case of the Baltics, republican party organizations have proclaimed their independence from the Moscow Central Committee. The resurgence of Russian nationalism, and the concomitant rise of specifically Russian institutions (notably, the strengthening of organs of the Russian state), has only reinforced the drive for republican rights. The idea of 'the Soviet people' sounds increasingly hollow.

Democracy is of course the article of faith of all significant reform currents in Eastern Europe and the Soviet Union. The powerful surge for the democratization of political and cultural life has struck a chord with the Western media and public. The national movements, however, have received a bad press. They are portrayed, at best, as potential wreckers of the reform process launched by M. Gorbachev.²⁰ Often, they are seen as the antithesis of universal values, for they stress the particular.²¹

This is an old dilemma for those who do not belong to the metropolitan culture. That culture was always propagated as superior for the realization of universal ends. In the Soviet Union a whole conceptual apparatus and vocabulary was developed, whereby the Russian language and literature was ascribed the qualities of 'international', 'universal', and the non-Russian languages and literatures were referred to condescendingly as 'nationality specific'.²² Translated into politics this meant that national movements and democracy were seen as incompatible.

The real politics of the national movements in the Baltics, or its growth in Ukraine, shows a very different picture. There the success of the national movement is in part explained by the fact that it has incorporated and hegemonized the democratic discourse in the widest sense of the word. It is the national movement which has led the battle for the democratization of political structures, the abolition of censorship, and the removal of the most nauseous forms of privilege. Rukh, Ukraine's popular front, has advocated a democratization of economic decision-making, and opposes the 'firm hand' approach to

economic restructuring upheld by many leading Moscow circles.²³ In a situation where the Communist Party is as much in favour of market reforms as anybody, the line which separates it from the national movement is the question of a radical democratization of Soviet institutions. In Latvia, where half the population is Russian, the national movement won two-thirds of the vote precisely because it was seen as the force for democracy. In Ukraine, Rukh has led the fight against anti-semitism, and one third of its activists in enterprises in Kiev are of Jewish background. Security for the December 1989 founding congress of Jewish organizations held in Moscow was provided by Rukh activists.²⁴ In the Baltics, in Byelorussia, and in Ukraine, there is no reform current outside the national movement.

Moscow's base in the republics is the party apparatus. Historically, the stability of the union lay in pliant local elites, who were rewarded with numerous privileges and whose corruption was tolerated. The national movements which arose in 1988 were forged in a battle to wrest power out of the hands of this machine where, as in the case of Azerbaidzhan, communal violence resulted. The problem then, is not as the Western press sees it, one of rampant nationalism causing internal strife and derailing the project of democratization. Rather, the danger arises when some movements, insufficiently organized, are manipulated by the old bureaucratic interests who fan the flames of internecine strife in order to demonstrate to Moscow their own indispensability.²⁵

In most of the republics, however, the national movements have engaged in a protracted battle to wrest power from the hands of the comprador apparatus. To do this they had to mobilize the population. It was necessary to invite people to participate in the political process, for mass mobilization was the only resource at the disposal of the national movements. In Ukraine, for example, Rukh led the campaign for a democratic electoral law and threatened a general strike if such a law was not enacted. The largest mass mobilizations occurred in the non-Russian republics – in the Baltics, and in Ukraine, in January 1990 when over a million people participated in the 'human chain of unity'. The national movement has no choice other than to stand on the ground of democracy. The fact that Moscow relied on the Brezhnevite apparatus in the republics to retain control, only discredited the 'reformers' at the centre. The democratic imperative emerged as a motor force of the push towards independence. As Dmytro Pavlychko, a member of Ukraine's Supreme Soviet, recently put it, 'I used to think that a democratic Ukraine would be enough for Ukraine to be free. I now realise that unless Ukraine becomes independent, it will never be democratic.'²⁶ The argument that the national movements threaten reform sounds simply absurd from the point of view of the public in the non-Russian republics, for they are the reform current there.

In the background to all of this is the widespread perception in the non-Russian republics that their 'union' with Moscow brought their society incalculable damage. After the Second World War, some 15 per cent of the population of the Baltic republics and Western Ukraine were deported.²⁷ During the man-made famine of the 1930s, some five million Ukrainians died, and 80 per cent of that nation's creative intelligentsia was liquidated. The avalanche of Great Russian chauvinism and the policies of Russification nearly destroyed the cultures of nations such as the Ukraine. For half a century Ukrainians have been asking for the establishment of a record industry in their republic, without success. What exists is the Kiev branch of Melodiia with six employees, and during the last decade they released four records for children and youth.²⁸ Four records for a republic of 52 million people, a population similar in size to France! The USSR Ministry of Higher Education requires that all doctorates be written in Russian. Teachers of Russian in Ukraine are given higher salaries than teachers of Ukrainian. Centralization reached such absurdities that the First Secretary of the Communist Party of Ukraine had to phone a ministerial functionary in Moscow to ask for permission for the construction of a pedestrian overpass in Kiev.²⁹ The lived experience of 'nationality' relations in the USSR at all levels is one of suffocation by the centre.

During the 1917 revolution, each of the major non-Russian nations of the former Russian Empire developed separatist movements, and most of these nations had brief periods of independence. If the Bolsheviks defeated the national movements, it was because their military superiority was backed up by the promise of proletarian internationalism, and a commitment to develop indigenous cultures and languages. A union with Russia was seen as a brief stop on the road to world revolution and an international federation of socialist states. In 1917, the ideas of the national movement had to battle with the centre advocating an ideology with universal claims. Today the situation is different. The ideas of the national movement encounter no serious opposition: all one has to do is point to past experience with Moscow's rule to silence one's opponents. The people's collective experience is a formidable ally of the national movement. Moreover, the centre is disintegrating, and in today's context the only idea which makes sense is decentralization. If the national movements have achieved success, it is not in spite of universal ideals, but because they have hegemonized them. Their success in the future will in large part be determined by the extent to which they continue to uphold them.

NOTES

1. *Vybir*, No.9 (9 Oct.) 1989; Ukrainian Press Agency, Donestk report, 15 May 1990.
2. *Literaturna Ukraina*, 6 Sept. 1990.
3. See H.H. Ticktin, 'Towards a Political Economy of the USSR,' *Critique*, No.1 (1973), pp.20-41.
4. Nikolai Shmelev and Vladimir Popov, *The Turning Point: Revitalizing the Soviet Economy* (New York: Doubleday, 1989), pp.112-54; *Robitnycha hazeta*, 24 Sept. 1989; *Economist*, 9 April 1988.
5. *Pravda*, 29 June 1988.
6. Shmelev and Popov, op. cit., p.126.
7. *Soviet News and Views*, No.8 (April) 1990; James Critchlow, 'Uzbekistan: The Next Nationality Crisis?', *Report on the USSR*, No.20 (18 May 1990), p.7.
8. Critchlow, op. cit., p.7.
9. James Critchlow, 'Uzbeks Looking to World Market', *Report on the USSR*, No.13 (30 March 1990), pp.14-16.
10. *Suchasnist*, No.12 (Dec. 1989), p.43.
11. *Ibid.*, p.44; Bohdan Krawchenko, *Social Change and National Consciousness in Twentieth-Century Ukraine* (London: Macmillan, 1985), pp.6-7, 83, 204-6.
12. *Literaturna Ukraina*, 5 April 1990.
13. David Marples, 'Heavily Industrialized Ukraine Facing Ecological Crisis', *Folio*, 8 Feb. 1990.
14. *Literaturna Ukraina*, 5 April 1990.
15. *Ibid*, 7 June 1990.
16. *Ibid.*, 11 Oct. 1990.
17. M.V. Bakhrakh, 'Pokazateli ekonomiceskogo ispol'zovaniia teritorii', *Voprosy ekonomiki*, No.6 (1971), p.87.
18. *Vestnik statistiki*, No.4 (1989), p.41.
19. Tape of the Kiev meeting deposited at the Archives on Contemporary Ukraine, Canadian Institute of Ukrainian Studies, University of Alberta.
20. Canada's minister of external affairs echoed the views of the G7 ministers when he expressed grave concern about the 'diminished authority' of the central government which has been undermined by the growth of nationalism. *Globe and Mail*, 27 Sept. 1989. A *Japan Times* (10 May 1990) editorial noted that 'Western democracies' have expressed 'anxiety' that 'Soviet disunion' may undermine Gorbachev's survival. The 'implied message' that the democracies sent to the Soviet leadership was that they would be prepared to tolerate a 'crackdown' as something more 'preferable to chaos on an imperial scale'.
21. Ernst Gellner, 'Ethnicity and Faith in Eastern Europe', *Daedalus*, No.1 (1990), pp.279-4.
22. See Roman Szporluk, 'Dilemmas of Russian Nationalism', *Problems of Communism*, July-August 1989, p.19.
23. *Suchasnist*, No.12 (Dec. 1989), pp.217-21.
24. See *Literaturna Ukraina*, 8 Feb. 1990; interview no.5 with Zh. I, October 1989. (Transcripts of this interview are deposited in the Archive on Contemporary Ukraine); *Tikkun*, July-August 1990, p.80.
25. Salah Jaber, 'Why is the Soviet Army in Azerbaijan?' and Gerry Foley, 'The Caucasian Powder Keg', *International Viewpoint*, No.178 (12 Feb. 1990), pp.11-12. This magazine has the best English-language coverage of national movements in the USSR. Articles by Gerry Foley are particularly recommended.
26. Dmytro Pavlychko, 'Five Years of Glasnost', *Shevchenko Lecture*, University of Alberta, June 1990.
27. A.L. Perkovs'kyi and S.I. Pyroz'kov, 'Demografichni vtraty narodonaselennia Ukrain's'koi RSR u 40-kh rr.', *Ukrain's'kyi istorychnyi zhurnal*, No.2 (Feb. 1990), pp.15-25.
28. *Literaturna Ukraina*, 11 June 1987.
29. Krawchenko, *Social Change*, p.249.