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ECONOMIC STRINGENCY, POLITICAL SUCCESSION
AND STABILITY IN EASTERN EUROPE

by Sarah Meiklejohn Terry

Tufts University

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* For the purposes of this paper, Eastern Europe is understood to encompass the six active members of the Council for Mutual Economic Assistance [CMEA] in the region: Bulgaria, Czechoslovakia, the GDR, Hungary, Poland, and Romania.

Kennan Institute for Advanced Russian Studies,
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I. INTRODUCTION

The prolonged political and economic crisis in Poland has put into question the belief, widely held in the 1970s by Western analysts and bankers alike, that the countries of Eastern Europe were essentially stable, if undemocratic, political entities (and therefore also good credit risks). Indeed, the absence of political democracy, while cause for frequent criticism of these regimes as repressive and illegitimate, was nonetheless seen as contributing to their stability by enhancing the leaderships' ability to contain and manipulate popular expectations that can and often do lead to social unrest and political unpredictability in more open democratic societies. Moreover, it was assumed that the Soviet Union, as the final arbiter of developments in the region, would not allow prolonged crisis much less economic collapse in one of its Warsaw Pact allies--in effect, that Moscow would provide both an economic and political "umbrella." Thus, despite periodic episodes of unrest, affecting each of the East European countries at least once since Stalin's death in 1953 and involving at times open popular revolt and leadership turnover, the political systems themselves were regarded as basically "stable."

Although none of the other countries has shown the multiple symptoms of malaise that afflict Poland, the coincidence of three trends or events in the 1980s is straining, and will continue to strain, the underpinnings of stability throughout the region: first, faltering economic performance; second, the post-Brezhnev and now post-Andropov succession in the Soviet Union; and, third, the parallel successions that are almost certain to occur in most of the East European countries by the end of the decade. Faltering economic performance, the most widely discussed source of potential instability, is a far more complex phenomenon than simply a decline in

growth rates brought on by deteriorating terms of trade, reduced energy supplies, or the chronic and all too familiar deficiencies of centrally planned economies. The failure of the region's ruling parties to take advantage of the influx of Western credits in the 1970s to modernize their economies and adapt them to the demands of a changing world environment has left them with deep structural problems that will prove even more intractable in the climate of economic and credit stringency they face today. The resulting competition for scarce resources is forcing painful choices on the leaderships and threatening the populations' hard-won material gains of the last decade.

The onset of a prolonged and multi-dimensional succession process will further complicate the handling of these economic issues. The succession already under way in the U.S.S.R. will in all probability be a drawn-out three-stage affair and, if past succession periods are any guide, will have deeply destabilizing effects in the region--interrupting the mechanisms of alliance management and policy guidance by Moscow, thereby tempting one or more of the East European parties to test the limits of Soviet tolerance in search of solutions to their own problems. The fact that parallel successions are likely to occur in at least four of the six East European countries (where the present party leaders are already over 70 years of age) merely increases the potential for such miscalculations. While it would be unwarranted to predict any repetition of the Polish events, at least in the near term, it would be equally rash to deny that this combination of stresses will make for a volatile and unpredictable situation not only within individual countries but in relations among members of the Warsaw Pact as well.

In each respect, Eastern Europe in the 1980s presents a very different

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picture from that of the preceding decade. During the 1970s, the illusion of long-term stability was fostered in East and West alike by rapid aggregate growth rates and an unprecedented degree of leadership stability. In particular, abundant supplies of cheap Soviet energy and Western credits permitted the emergence of an implied social contract between regime and society whereby the leaderships committed themselves to rising levels of material well-being in exchange for the political acquiescence of their populations. This fortuitous set of circumstances will not be repeated in the foreseeable future. On the contrary, as the temporary and largely artificial mechanisms supporting the "growth formula" of the 1970s are replaced by the constraints of the 1980s, a new formula for social and political stability will have to be found--and in a climate of uncertainty generated by protracted leadership change.

The paper will begin by reviewing the various sources of stability on which the East European regimes have relied in the past and their utility in changed circumstances of the 1980s. It will then examine in more detail two factors of particular relevance: the implications of deteriorating economic performance for regime stability and systemic reform, and the likely impact of leadership successions in the Soviet Union and Eastern Europe. The paper will conclude with a summary of the outlook for political stability in the individual East European countries and a discussion of the difficult choices facing Moscow in redefining its strategy of alliance management.

II. STABILITY, CHANGE AND LEGITIMACY

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Since the primary focus of this paper is the outlook for political stability or instability in Eastern Europe for the near-to-medium term, it is useful to begin with a discussion of the nature and conditions of political stability, both as a general concept and in the context of Eastern Europe. Even a cursory exposure to the analytical literature suggests that the concept of political stability defies an easy and clear-cut definition and should be viewed as the outcome of a number of interacting factors. As Seweryn Bialer notes in a recent discussion of stability in the Soviet Union:

The considerable variety in the definitions of political stability and in the choice of indicators to measure it is less a sign of confusion than an acknowledgment that "'political stability' must be approached as a multi-faceted societal attribute, composed of the various subindicators, rather than as any one particular monomeasure." Such an approach excludes the possibility that the presence of any single factor could assure a politically stable situation, while the absence of any single factor could serve to indicate an unstable situation.

Among the indicators of stability most often cited are, on the negative side, the "absence of violence, absence of structural change, and weakness of political movements opposed to the existing system," and on the positive side, "governmental longevity, constitutional continuity, effective decision making, and legitimacy, all of which are understood in most cases as positive systemic acceptance and support." Yet, as Bialer points out, these indicators tell us little about the conditions "necessary for the establishment or preservation of political stability."¹

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Moreover, at least one of the indicators included here--namely, the absence of structural change as evidence of political stability--is open to serious question in the East European context, while several others are of dubious relevance. Thus, before reviewing the potential sources of stability available to the ruling parties in these countries in the 1980s, a few preliminary remarks are in order:

First, stability is not the same as legitimacy, although they are overlapping attributes. Like stability, legitimacy is an ambiguous concept, open to varying interpretations and criteria. According to classical Weberian typology, political legitimacy falls into three basic categories: (1) rational-legal, based on acceptance of a certain pattern of normative rules of political behavior; (2) traditional, based on the "sanctity of immemorial traditions and the legitimacy of the status of those exercising authority under them"; and (3) charismatic, based on the exceptional character and magnetism of an individual "and of the normative patterns . . . ordained by him." To these categories, T.H. Rigby has recently added a fourth, specifically applicable to Soviet-type systems, namely "goal-rationality" or the "predominant orientation . . . towards goal-achievement, rather than toward the application of rules" characteristic of Western "capitalist" systems.² Using Weber's typology, the relationship between stability and legitimacy may be either antagonistic or complementary: At one end of the spectrum, the two may be completely divorced; that is, stability may rest on outright coercion at the expense of traditional values or normative rules, whether of the rational-legal or charismatic variety. At the other extreme, the acknowledged legitimacy of a political regime--whether on the basis of shared values, legal procedures or the personality of an individual leader--tends to reinforce regime stability and help it to survive temporary set-

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backs (e.g., poor economic performance, leadership transition, etc.). Rigby's fourth category, on the other hand, tends to bridge the gap between stability based on coercion and genuine legitimacy by substituting specific goals (which may at least in the short term legitimize the use of force) for Weber's rules and norms.

Second, stability does not necessarily mean the absence of change. On the contrary, Edmund Burke's admonition of 200 years ago—that "a state without the means of some change is without the means of its conservation"—is all the more relevant today when time and distance have become ever more telescoped. In the modern industrialized era, the capacity to adapt to constantly changing socio-economic and technological conditions, whether internal or external in origin, may be among the most crucial attributes of a politically stable society. Thus, "constitutional continuity" or the "absence of structural change" will contribute to long-term political stability only to the extent that the institutional structures and constitutional frameworks are sufficiently flexible to accommodate these changing conditions.³

Third, the conditions and sources of stability in Eastern Europe—in particular, the extent of value consensus between regime and society—are not necessarily the same as those available to the Soviet leadership. Although all of the regimes in question are Leninist-type systems, the Soviet regime can draw on a combination of revolutionary authenticity, an authoritarian political culture and its present-day superpower status that none of its regional allies can match. To be sure, several can rely on similarly authoritarian traditions, but only Yugoslavia outside the bloc can claim a comparable degree of revolutionary authenticity, while only Romania within the bloc has been able to establish a modicum of national autonomy; and

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none can match Moscow's international status. On the contrary, the derivative nature of the East European systems (Yugoslavia excepted) and their dependence on Soviet power detracts from their legitimacy and popular appeal. At the same time, the political and military presence of the USSR in the region provides a source of enforced "stability" regardless of the ability or inability of the individual regimes to generate support at home.

Fourth, not all social strata are seen as equally important to the stability of a system, with precedence typically given to the leading political, managerial and intellectual classes. Commenting on democratic as well as authoritarian systems, for instance, Bialer has noted "the centrality of the elite dimension of legitimization of power for the stability of political regimes with regard both to their survival and effectiveness." While conceding that the "popular" dimension is not unimportant, he points out that "as long as the claims of a particular . . . elite are considered legitimate by other . . . elites, the low level of popular legitimacy . . . [does] not endanger the stability of the political regime." Moreover, citing the crises in Hungary and Poland in 1956 and Czechoslovakia in 1968 as ones which began "as a basic crisis of belief within the political and other elites" and which took on a mass character only when elite cohesion broke down, Bialer contends that a "decline in popular legitimacy . . . is in itself more often than not preceded by and associated with the decline of elite legitimacy."⁴ However, in light of more recent events in Poland—not only 1980, but also 1970 and 1976, when the roles were reversed and it was working class protests that precipitated the "crisis of belief" within the elites—we need to inquire whether this new pattern is specific to that country, or whether the emergence of mature industrial societies throughout Eastern Europe may not mean a more spontaneous and independent role for the

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"popular dimension" of system stability in the future.

Fifth, the forms that instability may take vary widely. In the wake of the most recent crisis in Poland, there may be a tendency to visualize political instability in the region in terms of a widespread popular opposition movement with a coherent organization and program. In fact, the postwar history of Eastern Europe suggests that, where open opposition occurs, it is far more likely to be sporadic and limited—either isolated geographically, or limited to a single social group with specific (and largely economic) grievances. While such outbursts may be dramatic, even violent, in their immediate impact, their limited scope makes them easier to contain. Over the longer term, however, instability may take less overt but more pervasive forms. Social phenomena that might not be destabilizing in most circumstances may become so when the absorptive or mediating mechanisms fail, or simply do not exist.⁵ Thus, secondary or latent sources of instability—such as consumer dissatisfaction, or a generalized sense of alienation and moral vacuum—may not manifest themselves as long as material conditions continue to improve, however slowly. Even stagnation or a reversal in economic growth rates or a general deterioration in the overall quality of life may not (and, given the repressive nature of these regimes, in most cases probably will not) lead to organized popular resistance. But other more subtle forms of social deviance—poor labor discipline, alcoholism, corruption, juvenile delinquency, and intellectual dissidence—will inhibit the overall effectiveness of the system and, should they go unheeded, will contribute to a further deterioration in economic performance, potentially providing the essential ingredients for the emergence of a broad-based opposition movement such as occurred in Poland in 1980.

Finally, instability within individual East European countries has

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important implications for the stability of the others (in some cases even of the Soviet Union itself) as well as for the cohesion of the bloc as a whole. However, the relationship between events at one level and their reverberations at the second is at best a variable one, depending on a number of factors. Typically, a crisis in one country has led to an increased degree of bloc cohesion as the remaining regimes, fearing a spillover of instability into their own countries, appeal to Moscow to eliminate the source of political contamination. Moreover, the less legitimacy a regime enjoys at home, the more threatened it will feel and the more actively it will seek Soviet intervention; hence, the negative reaction of all of the remaining Stalinist regimes to Polish and Hungarian developments in 1956, of the East German and Polish regimes to the Prague Spring in 1968, and again the East German together with the now "normalized" Czechoslovak regime to the emergence of Solidarity in 1980. (By contrast, the Hungarian and Romanian parties, which for different reasons enjoyed a greater degree of domestic support at the time, felt less threatened by the proposed Czechoslovak reforms than by the implications for themselves of Warsaw Pact intervention; similarly, their reaction to the latest Polish crisis was more restrained and ambivalent than in the rest of the bloc.) On the other hand, this pattern is likely to hold only so long as the Soviet Union is seen by its regional clients not only as a guardian of orthodoxy but, more importantly, as the ultimate guarantor of their economic security. To the extent that the Kremlin is no longer willing or able to play this latter role, as seems increasingly to be the case at present, even a hint of internal instability may lead to a rising level of tension and non-compliance in bloc relations, as the affected regimes seek to minimize their external obligations.

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The Sources of Political Stability in Eastern Europe.

Over the last 35-odd years, the communist regimes of Eastern Europe have sustained themselves by drawing on a series of sometimes overlapping, sometimes contradictory sources of popular acquiescence or simply quiescence. These include: Marxism-Leninism, or the ideologically based promise of a more just and egalitarian order in the future; appeals to nationalism or other traditional values, either as a substitute for the ideology or as an auxiliary form of legitimation; rising levels of material satisfaction, either through upward social mobility for significant sectors of society or through a general improvement in the standard of living; the institutionalization of political processes and opportunities for popular participation, or the application of rules in the Weberian sense; and, when all else fails, coercion backed up by Soviet power. While these factors interact in different ways and have been used in different combinations--and while it is always risky to generalize about countries as diverse as those in question here--it is still useful to note the similarities in patterns and stages of legitimation. Not the least of these similarities, as we shall see, is the progressive erosion of the sources of legitimacy and stability effectively available to the East European regimes and the narrowing of their options for the future.

Ideology. In Eastern Europe, Marxism-Leninism has always been a double-edged sword, operating simultaneously on several different (and not always compatible) levels. At one level, it represents the utopian vision of Marx's abundant and classless future. At a second level, its true Leninist form, what Richard Lowenthal has aptly called the "operative parts" of the ideology reinforce the existing institutional structure, most importantly the "leading role" of the ruling communist party as the only organization

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capable of guiding the working class toward the future utopia.⁶ At still a third level, the ideology embodies basic socialist values: egalitarianism, or at least equality of opportunity; "socialist democracy" as the political expression of "proletarian" class rule; and the promise of increasing material satisfaction—if not in the form of genuine consumer abundance, at least in the form of a guaranteed level of material security and social welfare benefits. Thus, Marxism-Leninism is both the mainstay of the self-proclaimed legitimacy of communist rule and, at the same time, a constant challenge to these regimes to meet the expectations that it engenders.

In the early postwar years, the ideology's appeal, especially among intellectuals, grew out of the combined disillusionments of the interwar period and traumas of war. The bankruptcy of parliamentary democracy in Eastern Europe in the 1920s and 1930s, followed by the Fascist excesses of World War II, largely discredited Western liberal ideals in the eyes of many and provided fertile soil in which the apparent certainties of the new faith could take root. The need to rebuild from wartime devastation pushed into the distant future hopes for fulfillment of material aspirations, apparently justifying the centralization of political and economic power and temporarily masking the contradictions inherent in the ideology. Even the enforced association with the Soviet Union, a traditional adversary for much of the region, was at least partially offset by the failures of the past and the lack of viable alternatives.

In the post-Stalin era, with its revelations of abuses of power and the persistence of a political structure and economic policies patently at odds with the ideals espoused by the system, the Marxist-Leninist synthesis (always more artificial in Eastern Europe than in the Russian heartland where it originated) has begun to come unstuck. As the utopian vision fades

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into an ever receding mirage, no longer serving as a credible legitimizing goal, the other two dimensions have come increasingly into conflict. From the point of view of the ruling elites, it is the second level—the Leninist concept of "democratic centralism" and the leading role of the party—that represents the core of the ideology and the justification for their continued monopoly of political power. From the point of view of the popular legitimacy of the system, however, it is the third dimension—the promised material benefits together with the egalitarian and democratic values of socialism, ironically now largely accepted by the East European populations as their birthright—that has become dominant. To the extent that the elites fail to address these issues, the ideology ceases to perform a legitimizing function in the eyes of society at large and becomes instead a provocative, even a destabilizing influence.

It is often suggested by observers in the West that the widening gap between the rhetoric and the realities of Soviet-style socialism has reduced Marxist-Leninist ideology to an irrelevant anachronism. Yet it is precisely this gap that confronts the ruling Leninist party with a seemingly insoluble dilemma: it is obliged to propagate a doctrine whose inner logic would destroy it. That is, it cannot be faithful to Marx's original value system or vision of the future without undercutting its own power base. On the other hand, neither can it openly reject them without depriving itself of the only rationale for its political monopoly. As the Polish philosopher Leszek Kołakowski has written:

. . . A party which wields despotic power cannot get rid of the ideology which justifies this power and remains, short of free elections or the inheritance of the monarchic charisma, the only basis of legitimacy. The ideology is absolutely indispensable in

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this system of rule, no matter by whom, by how many, or how seriously it is believed, . . . even if--as is now the case in European socialist countries--there are virtually no believers anymore, among either the rulers or the ruled.⁷

The party tries to elude the dilemma by so redefining and circumscribing the destabilizing elements of the ideology that they become little more than ritualized phrases extolling the virtues of socialist democracy or the ever increasing unity of the working masses. But they remain as latent reminders of the original democratic ethos of Marxism, forcing the party to buttress its position by seeking alternative sources of popular support.

Nationalism/Traditional Values. Among the alternatives, the possibility of following the Soviet example by tapping the reservoir of emotional support and legitimacy still associated with traditional values and institutions--most importantly, nationalism and the church--is surely one of the most tempting and, in some respects, the path of least resistance. It is also a path full of pitfalls both for domestic tranquility as well as for relations among the East European countries and, especially, between them and Moscow. Thus, in contrast to the Soviet experience, where the regime has successfully exploited the dominant values and attitudes of Great Russian nationalism and Russian Orthodoxy--the belief in Russia's special virtue and missionary role in the world, the intense suspiciousness of others, and traditional support for the centralized authority of the state--to reinforce its legitimacy, such tactics are largely unavailable to the smaller and more dependent regional parties.⁸

Nationalism in Eastern Europe has historically been more of a divisive than a unifying force, pitting countries, and as often as not ethnic groups within countries, against each other. To the extent that it has played an

integrative role, it has generally had a distinctly anti-Russian cast (the notable exceptions being Bulgaria and, until 1968, the Czechs) or, in the special case of the GDR, serves to keep alive hopes of German reunification—in either case detracting from rather than enhancing the legitimacy of the present communist regimes. On the other hand, attempts to capitalize on the more divisive aspects of nationalism—e.g. appealing to the dominant group by introducing discriminatory policies toward minorities, or by exploiting the plight of disadvantaged nationals in a neighboring country—merely tends to introduce an additional element of domestic instability or exacerbate relations among the East Europeans, in either case reinforcing their dependence on Moscow. Thus, it is not surprising that only the Ceausescu regime in Romania has succeeded in taking consistent, if still cautious, advantage of national tradition in support of regime stability.⁹

As a vehicle of auxiliary legitimation, the church has also proved an elusive target. With the partial exception of Poland, where the Catholic Church's overriding concern with national survival (fear of Soviet military intervention) has caused it to make temporary common cause with the ruling party in times of crisis, the East European regimes have been more successful in defusing the church as a source of active opposition than in exploiting it as a source of positive support—although wherever possible they try to preempt "progressive" aspects of religious tradition (celebration of the Polish millenium or, most recently, the 500th anniversary of Martin Luther's birth) or to use the church to promote their own goals (opposition to NATO missile deployments). Since the election of Pope John Paul II, however, the church in several of these countries has begun to assume a politically assertive role, adopting more independent positions on such issues as workers' rights, the peace issue, and environmental pollution.¹⁰



Material Satisfaction. Rising levels of material satisfaction have contributed to political stability in Eastern Europe in two principal ways: first, in the form of upward social mobility for strategic groups in society, and second, as a more general rise in the standard of living. While both are sanctioned by Marxism-Leninism and may in turn help reinforce it at the outset, both the question of mobility and the general level of material satisfaction tend to assume independent significance as the level of ideological belief diminishes. By the same token, perceived declines in material satisfaction will further weaken ideological legitimation.

During the first postwar decades, the same excessive rates of industrialization, skewed priorities and Stalinist command structure that produced the initial decline in living standards throughout the bloc also brought a rapid expansion of the industrial working class and the administrative bureaucracies of the new socialist states. In this period (which with some modifications and exceptions lasted approximately through the mid-1960s), all of the East European societies experienced dramatic increases in rates in inter-generational (father-to-son) and intra-generational (career) mobility, especially in the peasant-to-worker and worker-to-nonmanual categories. Thus, despite declines in living standards for specific occupational groups (relative, say, to the prewar period), a substantial portion of the population experienced a perceptible rise in well-being and prestige commensurate with the rise in socio-economic status.¹¹

The fact that these high rates of mobility were due more to industrialization per se than to the advent of socialism—that is, that the pattern of social change in Eastern Europe did not differ markedly from that of other non-socialist countries at a comparable stage of development¹²—did not mean that the benefits for regime stability were any less real. The

breakdown of past patterns of stratification and the opening up of opportunities for education and advancement to even the lowest strata seemed to bear out the ideology's egalitarian promise, influencing not only the generation directly affected but also the expectations of future generations. That is, the son of a peasant who had moved up into the industrial working class could anticipate that his offspring would have a good chance of advancing to a position in the new "socialist" intelligentsia. In addition, the predominantly working-class and peasant origins of the new elites--the basic cultural affinities and similarity of life experiences with the majority of the population--tended to bridge the gap between "us" (ordinary folk) and "them" (the wielders of power).¹³

With the completion of the transformation of these countries from basically rural-agricultural into predominantly urban-industrial societies (by the late 1960s or early 1970s in most of the region), mobility rates slowed markedly, giving rise to new patterns of stratification as those who had already "made it" sought to pass on their improved status, in effect placing a cap on mobility expectations. Moreover, in a development that may be unique in the industrialized world, there are signs of an actual reversal of mobility trends related to the pervasive and chronic problems of CPEs in the areas of technological innovation and productivity.¹⁴

The adverse impact of these developments on the legitimacy of the East European regimes was effectively, if temporarily, deferred by the adoption of broadly pro-consumerist policies throughout the region at the beginning of the 1970s. Motivated by the need to broaden their popular base (especially in the wake of the Soviet invasion of Czechoslovakia and the December 1970 Baltic port riots in Poland) and supported by cheap Soviet raw material imports supplemented by the influx of Western credits during the heyday

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of detente, most of these regimes increased real incomes well above levels that could be justified by increases in productivity. Such increases, however, could be maintained only so long as the external subsidies continued. The phasing out of the discrepancy between Soviet and world prices for energy and other raw materials, together with the drying up of Western credit flows, has forced a slowdown or reversal in increases in real incomes, with the result that overall levels of material satisfaction seem likely to join expectations of upward mobility as a negative factor in the East European stability equation.

Political Processes. Like rising levels of material abundance, the development of political institutions and processes to give the populations an authentic voice in the basic decisions of society is sanctioned by the ideology. Moreover, although with the exception of Czechoslovakia none of the East European countries successfully established and maintained a democratic form of rule prior to World War II, the ideas (if not the practice) of political participation and rule of law have long been ingrained in the popular mind. Hence, the legitimacy accorded the realization of "socialist democracy" in the rhetoric of Marxism-Leninism arouses far greater expectations in most of these countries than in the Soviet Union. Hence also, the frustration and alienation engendered by the cosmetic character of participatory institutions—whether elected representative bodies, trade unions and self-management organizations, or other social and professional associations.

The argument that, in the long run, the stability of one-party communist systems can be assured only by the introduction of broadly accepted norms of political behavior has been most forcefully articulated by Richard Lowenthal. In his 1976 article on "The Ruling Party in a Mature Society,"

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Lowenthal argued that neither nationalism nor rising levels of material well-being is sufficient to ensure long-term legitimacy since "no political system whatsoever can guarantee continuously successful performance":

Thus the legitimacy of a system of government is based not on confidence in its uniformly good performance, but on confidence that the institutional procedures by which rulers are selected and decisions are made offer a reasonable chance of such performance.

What we are asserting is that for maintaining authority in modern conditions and in the long run—and we are discussing the long-run prospects of communist one-party rule—there is no alternative to legitimacy based on institutional procedures. . . . [While] procedures based on pluralist democracy under the rule of law are not a priori the only conceivable ones, . . . the party must make plausible that its monopoly will normally tend to bring well-qualified people to the top and lead to decisions about political, economic, and social priorities that correspond to the broad interests of the community and strike a fair balance between its various groups."¹⁵

Lowenthal conceded that "the development of at least an informal and indirect, if not an institutionalized, pluralism" in the interest of regime legitimacy posed serious dilemmas for the self-defined monopoly role of the ruling party. Thus, he concluded that his belief in the "inevitability of democracy" might be only a long-range tendency and that, in the meantime:

modern societies which cannot adopt the basic institutions of pluralistic democracy but persist under the control of an authoritarian single-party monopoly will be likely both to fall below the potential of economic achievement which they could otherwise reach, . . . and to fall victim to recurrent political crisis owing to a long-

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term decline in legitimacy.¹⁶

The applicability of Lowenthal's thesis to the Soviet Union is at best partial; for, while few would challenge his prediction of less than optimal levels of economic achievement in the absence of democratization, pressure for the latter as a basic underpinning of regime legitimacy remains minimal. On the other hand, the East European experience since 1956 more fully bears out his argument concerning the linkage between procedural legitimacy and performance, and the fundamental dilemma that this poses for the obligatory "leading role" of the ruling parties. No aspect of a major crisis in Eastern Europe is as predictable as the pronouncement (in response to popular unrest) and later retraction (in response to Moscow's dictates and/or the reassertion of traditional party prerogatives) of reforms in participatory institutions: the proposed reintroduction of a multi-party system in Hungary in 1956; the similar, if less radical revival of representative institutions in Poland in the same year; the articulation of the principles of "socialist pluralism" during the Prague Spring of 1968; and the repeated demand for an independent workers' voice in the Polish crises of 1970, 1976 and 1980. The common denominators in all cases were demands for institutionalized curbs on the unchecked power of the communist party and the right of autonomous social organization. The defeat of each of these initiatives, most recently the crushing of the Solidarity movement in Poland, has left the basic dilemma between legitimacy and power unresolved.

Coercion. The role that coercion—whether internal or external in origin—has played in the establishment and maintenance of communist rule in Eastern Europe is too well known to require much comment here. Suffice it to say that it was the primary source of stability for the newly-imposed regimes during the first postwar decade and that, even with the decline of

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outright terror following the death of Stalin, the threat of a revival, punctuated by periodic displays of Soviet military power or internal police repression, has in most circumstances been an effective deterrent to widespread social unrest, not to mention open political opposition. The relevant question for the future is what role coercion is likely to play as other sources of stability become less viable--specifically whether, as some observers suggest, when faced with a choice between genuine reform and repression, these regimes will prefer to turn back to a primary reliance on the latter to impose Stalinist-style austerity and discipline.

Although no definitive answer to this question is yet possible, it is useful to remember that coercion by itself is no panacea. That is, while it may be sufficient to prevent active opposition, it cannot guarantee the cooperative and productive citizenry that is essential to the establishment of long-term stability and, indeed, will generally prove counterproductive toward this end. Even in the worst days of Stalinism, as we have seen, the coercive aspects of the system were offset for key social groups by rapid upward mobility and the positive legitimizing influence of the ideology. Moreover, in every major East European crisis since 1956, the application of the stick (whether by Moscow or by the threatened regime itself) has been followed by generous use of the carrot as a recognized part of the "normalization" process.

On the other hand, Moscow's capacity (not to mention willingness) to mediate future political crises with timely infusions of economic largesse is open to question on at least two grounds: first, the escalating cost to the Kremlin of its periodic rescue efforts; second, U.S.S.R.'s own economic problems. On the first point, the example of Poland's three most recent crises is instructive. Following the December 1970 crisis, a Soviet hard-

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currency loan of \$100 million was apparently sufficient to overcome the immediate difficulties (in part because it was soon supplemented by the influx of Western credits). In the wake of the June 1976 food price riots, Soviet aid was reportedly on the order of \$1.3 billion in ruble and hard-currency loans, plus an increase in oil deliveries at the subsidized intra-CMEA price; by then, the 1971 aid package of \$100 million would have been enough to cover a mere two months' interest on Poland's burgeoning Western debt. No firm figures on overall Soviet aid to Poland since August 1980 are available; but when trade credits, increased deliveries of energy and raw materials, and (at least in the early months of the crisis) help in meeting debt service are added up, the total through the end of 1982 was almost certainly in excess of \$5 billion.¹⁷

On the second point, the Soviet economy, like its East European counterparts, is experiencing a long-term secular slowdown. With annual growth rates for 1981-85 not expected to exceed the 2-2.5 percent level—and with serious shortfalls in such critical sectors as agriculture, transportation, metallurgy, resource development, and technological innovation—any future Soviet leadership will be hard pressed to find the resources necessary to rescue future Polands. Nor is the use of coercion in the form of a reimposition of Stalinist-style orthodoxy, austerity and isolation much more feasible. Although there is ample precedent for it (and no doubt support within both the Soviet and East European bureaucracies), it offers no long-term solutions. The need for food imports alone makes any notion of Stalinist-style autarky for the bloc as a whole unthinkable, while selective isolation of the East European economies (even if it were possible) would merely increase the burden they represent for the U.S.S.R. without correcting the underlying causes of their inefficiency and instability.

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III. THE IMPLICATIONS OF ECONOMIC STRINGENCY

In view of the importance attached in the last decade and a half to improved levels of material consumption as the primary underpinning of the implied social contract between rulers and ruled, recent declines in the rates of economic growth on a region-wide scale together with the erosion of other sources of regime legitimacy have particularly serious implications for political stability. Detailed analyses of economic performance in the individual countries may be found in other papers. What is needed here is a brief overview of the situation and identification of the critical choices, both economic and political in nature, facing the East European leaderships at the very least for the remainder of this decade.

The "Deferred Tasks" of the 1970s.

According to one Western estimate, made early in the current five-year plan period, the aggregate annual growth rate of the six East European members of CMEA for 1981-85 will be on the order of 1.4 percent, or less than one-fifth the rate achieved in the 1971-75 plan period (7.3 percent) and not quite one-third that of the 1976-80 period (4.0 percent). Even excluding the data for Poland, where national income produced is expected to drop by an average of 3.3 percent over the five years (ranging from a low of -13.0 percent in 1981 to a modest recovery level of +2.0 percent in 1985), growth rates in the remaining countries, including the stronger performers such as Bulgaria and the GDR, will in this view show a significant declines from the levels of a decade or so ago.¹⁸

Three years into the plan period it appears that this sober estimate may prove somewhat too pessimistic. Nonetheless, whatever the outcome of the 1981-85 plans, all of the East European economies without exception

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face major structural adjustments as the support mechanisms that sustained growth rates in the 1960s and 1970s--cheap and abundant Soviet energy and raw materials, followed by the massive influx of Western credits--have run their course and become the liabilities of the 1980s. In particular, the failure on the part of these countries (with the partial exception of the Hungary) to take advantage of credit-financed imports of Western technology in order to adapt their industrial structures and economic mechanisms to the demands of the post-OPEC embargo environment has left them with what might best be called "deferred tasks" of modernization, which will prove far more difficult to solve in today's climate of economic austerity and credit stringency than had they been addressed in the 1970s.

Most commonly recognized is the failure to modernize industrial plant to achieve competitive levels of labor productivity and resource efficiency. Instead, Western credits were used to expand capacity (using mostly older energy-intensive technologies) and to boost consumption levels. Even where advanced technologies were imported, the changes in planning and management mechanisms and incentive structures necessary to achieve greater efficiency were not introduced. Thus, where most industrial economies have reduced their energy requirements under the impact of spiraling prices, the East Europeans have locked themselves into excessive levels of energy consumption and now face the unhappy choice between ruinous exploitation of their own, generally modest, fuel resources and equally ruinous dependence on high-cost imports (whether from Soviet or world market sources).¹⁹

A second major area of deferred or incomplete modernization is agriculture. As the London Economist stated not long ago, the CMEA countries "are now paying the price for the old Stalinist sin of treating agriculture as the milchcow of industry."²⁰ Years of overcentralization and underinvest-

ment, followed by additional years of inappropriate policies—insufficient adaptation of inputs (machinery, fertilizers, pesticides, etc.) to specific crops, overutilization of the land in the interest of short-term results, persistent discrimination against the private sector, and artificially low prices—have led to declines in growth rates for agricultural output (in some cases depressing output in absolute or per capita terms) and encouraged a further outflow of agricultural labor. In view of the critical importance attached to affordable food supplies as a mainstay of consumer satisfaction, especially in the 1970s, such policies have become counterproductive. (27)

No less serious has been the neglect of essential infrastructure investments—the development and maintenance of rail transport and other distribution networks, housing, health care and social services, and environmental protection, to mention the most obvious—all of which have taken a back seat to "productive" investments. It should be recalled that deficiencies in all these areas contributed to the growing paralysis of the Polish economy after 1978, making the entire economic mechanism vulnerable to ordinarily minor disruptions. (Following the harsh winter of 1978/79, Warsaw wags liked to joke that the prescription for catastrophe in Poland was "half a meter of snow and 30 years of socialism.")²¹

While most of these problem areas represent the chronic and all too familiar bottlenecks of CPEs, it is only in the last few years that attention has begun to be focused on the urgency of environmental issues, especially in the highly industrialized Northern Tier states. The specific forms are familiar enough from the experiences of the industrial West; what is alarming is the magnitude of the damage: wide-spread denuding of forests from acid rain as a result of the unrestrained burning of high-sulphur soft coal; levels of air pollution in major industrial districts that threaten to



turn "occupational" diseases into general public health problems; contamination of water supplies, from agricultural as well as industrial sources, with equally serious implications for public health, fishing resources and future agricultural production, not to mention recreational activities. Although several of the regimes (notably the Czechoslovak and East German) are beginning to acknowledge the severity of the situation, adoption of vigorous pollution control measures has generally been put off as too costly in light of competing priorities. Yet failure to treat these problems in the near term will merely compound future damage and clean-up costs, in the meantime increasing the danger of a major ecological disaster with debilitating social and economic consequences.²²

As they begin to confront these "deferred tasks," the East European leaderships are discovering that the key support mechanisms, both domestic and external, that helped them maintain stability in the past are rapidly becoming worrisome constraints on future stability. In the current climate of resource stringency, for example, efforts to maintain (much less raise) consumption levels compete directly with the urgent modernization and infrastructure needs outlined above. On the other hand, attempts to hold down consumption in favor of essential investments are likely to have further negative repercussions for productivity, at least in the short run. In addition, particular sensitivity attaches to the question of food prices and supplies, where the traditional policy of keeping prices artificially low has bought social peace at the cost of depressing agricultural output and imposing an unacceptable level of subsidies on state budgets.

Nor can expectations of upward mobility continue to play a stabilizing role. On the contrary, signs of pressure in the opposite direction are already evident in several countries due to the persistence of low levels of

industrial productivity and chronic shortages of blue-collar workers. No longer able to syphon surplus labor from agriculture (where low productivity also limits mobility) and burdened by bloated administrative bureaucracies at the upper end of the socio-economic scale, these economies can satisfy their inflated need for skilled manual labor only by diverting larger numbers of students away from higher education and preparation for jobs in the intelligentsia and service sector (the typical pattern for an advanced industrial society) into blue-collar vocations. So far, at least three of the East European countries have introduced changes in educational and/or job placement policies that effectively place a cap on opportunities for upward mobility, while similar tendencies are also evident elsewhere. Paralleling developments in the Soviet Union, such changes are generally presented as "improvements" in the quality of primary and secondary education. But the effective thrust is to give basic schooling a distinctly vocational orientation, severely limiting access to higher educational institutions and accentuating recent tendencies toward new patterns of social stratification and inherited inequalities, with obvious negative implications for regime legitimacy.²³

The external economic climate has also turned highly unfavorable. In relations with the West, both the high level of outstanding hard-currency obligations and the reluctance of Western banks and governments to extend new loans complicate efforts to cope with their domestic dilemmas. Where in the heyday of easy credits trade with the West added to net material product that could be used domestically, today the need to repay that debt is forcing the East Europeans to maximize exports at the expense of domestic consumption. At the same time, high debt-service ratios (which eat up hard-currency earnings) and the difficulty of selling their uncompetitive manu-

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factures on world markets have caused them to slash imports, in turn depriving them of technology and other inputs necessary to improve product quality or to begin solving their problems of energy conservation and pollution abatement, for which technology available within CMEA is generally inferior. In the East, the rapid deterioration in Eastern Europe's terms of trade with the Soviet Union, as the latter raises energy and raw material prices to world levels and demands higher quality manufactures in return, further aggravates the drain on resources available for domestic use.²⁴

Thus, even a return to the more favorable aggregate growth rates of the 1970s (however unlikely for most of the region), or the cautious return of Western banks to East European markets, would in themselves be insufficient to overcome the downward pressures on consumption or the negative consequences for political stability.²⁵ Improvements in economic conditions must be meaningful to the population in order to have the desired effect on the social and political climate. Thus, a statistical rise in real incomes will have little positive impact if it is not accompanied by a marked improvement in the availability of consumer goods and services of the quality and diversity demanded by Eastern Europe's increasingly sophisticated populations; indeed, in conditions of chronic shortages, it will merely feed social frustrations. Here the combination of competing domestic priorities, pressures to export more and better quality products to both West and East, and the curtailment of imports of Western goods and technology will affect not only the near-term availability of goods on domestic markets but also the long-term prospects for a qualitative (and therefore meaningful) improvement of the consumer's plight.

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The Reform Alternative.

As the magnitude and complexity of their structural problems became apparent, it is not surprising that talk of economic reform, a dormant if not quite taboo issue for most of the 1970s, began to reemerge as the only course that seemed to offer significant and lasting improvements in economic performance. Signs of the new reformist trend first appeared in 1978, with the publication of a series of authoritative articles by prominent Soviet economists on improving the system of planning and management in which, for the first time in nearly a decade, serious attention was given to the need for greater reliance on economic tools. Together with an unusually laudatory article in the Soviet weekly New Times on Hungary, containing a brief and somewhat ambiguous reference to a "Hungarian model of socialism," these articles seemed to signal the East Europeans that they, too, could resume the economic experimenting left off in the late 1960s or early 1970s.²⁶

For the most part, however, actual reform efforts over the last five-to-six years have been exceedingly cautious in nature, focusing almost exclusively on the partial (and generally ineffective) administrative decentralization characteristic of earlier "reforms" in the Soviet Union, rather than on the more comprehensive economic decentralization envisioned by the Czechoslovak and Hungarian proposals of the 1960s.²⁷ With the introduction of the Soviet "mini-reform" of July 1979, which was merely another attempt to refine centrally controlled performance indicators, most of the East Europeans fell quickly into line. Only the Hungarians, with Moscow's apparent approval (or at least tolerance), have returned to the comprehensive blueprint of the "New Economic Mechanism" laid out in 1968, while the Bulgarians have proceeded with an intermediate type of reform--more consistent in its decentralizing features than the Soviet but less so than the Hungar-

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ian. In early 1982, following the declaration of martial law, the Polish regime enacted a package of economic reform measures bearing a strong resemblance to the Hungarian model, but continuing economic crisis has made implementation all but impossible, while stiff bureaucratic resistance casts doubt on the longer term prospects. Otherwise, the remaining countries have followed the Soviet lead, limiting their "reforms" (although the word itself is generally avoided) to tinkering with still centralized controls.²⁸

More radical changes may be in the offing. Among the new wrinkles that the Hungarians have already introduced are moves to increase competition between state-owned enterprises, increased scope for private enterprise in the consumer and service sector, and—perhaps the most novel innovation of all—a provision allowing workers in state-run factories to contract with management to work extra hours at higher rates of pay. Additional reforms still on the drawing boards include the establishment of a commercial banking system, creation of shareholding companies, and increased autonomy for enterprises in the selection of management (with a corresponding loss of party influence over appointments), especially in key export industries. Although none of the other countries has moved as far down the road toward a mixed economy as the Hungarians (admittedly much of that still on paper and subject to reversal), there are small signs of a growing appreciation elsewhere of the potential benefits that private initiative could offer, as a source of supply for hard-pressed consumer markets and as a means of absorbing both excess purchasing power (by offering the opportunity of a genuine return on investment) and excess labor that would be released by rationalization of employment in the state sector.²⁹

More intriguing than these mixed (and so far largely meagre) results in the area of economic reform, is the revival of interest in the need for fun-

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damental political change. Not since the heady days of the "Prague Spring" has there been such candid discussion of the relationship between the political and economic systems—in particular, the need to give legitimate political expression to the conflicts of interest that will inevitably arise, even in a socialist society, as a consequence of attempts to adapt the economic system to the more demanding climate of the 1980s. In effect, in conditions of prolonged austerity, at least some elements within the East European elites seem ready to acknowledge the validity of Lowenthal's thesis that, since "no political system whatsoever can guarantee continuously successful performance," in the long run "there is no alternative to legitimacy based on institutional procedures."

Among the more interesting admissions of this connection is the still secret report of the official commission set up by the Polish party to investigate the causes of that country's recurrent crises: "In general it is possible to state," reads the report,

that every social crisis in conditions of the building of socialism is evidence of the appearance in the governing process of spontaneous phenomena which hinder the realization of the goals of socialism that have become ingrained in the consciousness of society, and especially of the working class. The explosion of social dissatisfaction . . . directs attention in a dramatic way to the threat to expectations concerning the realization of the social goals of socialism.

Social expectations concerning realization of these goals relates above all to two spheres:

- 1) the level and conditions of life,
- 2) the sphere of democracy (ludowładstwo), that is, the extent

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of participation of working people in decisions concerning the fate of the nation and state.³⁰

In the Hungarian literature, as well, one finds growing concern that "slow economic growth, . . . [which] is the only possibility in a system of centrally planned economies, . . . cannot be the foundation for the maintenance of social stability here and now in Eastern Europe—at least outside the Soviet Union." Thus, Hungarian reformers are actively promoting "socialist pluralism" in various forms—a more active political role for parliament and other representative institutions, changes in the electoral law to mandate contested elections, and somewhat broader prerogatives for labor unions in defending worker rights.³¹

The problem, of course, is that most of these ideas—both the more radical economic proposals and the political reforms—run headlong into vested interests at home and in Moscow. In every attempt at systemic change in Eastern Europe in the past, the line has been drawn at institutionalized restraints on the power of central party and planning agencies to determine the direction of political and economic development. Yet, in the absence of such institutionalized curbs, changes in policy or governing style have invariably proven vulnerable to reversal. In a somewhat different vein, changes in incentive policies designed to increase productivity threaten the job security and egalitarian wage structures that the workers have come to regard as a guaranteed right.

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IV. THE SUCCESSION FACTOR

One final ingredient in the stability/instability mix in Eastern Europe remains to be examined, namely the influence of leadership succession. In the past, Soviet succession politics have typically had a destabilizing effect on the region. In addition, we need to be concerned not only with the post-Brezhnev (and now post-Andropov) succession in the Soviet Union, but also with parallel succession struggles that are likely to emerge by the end of the decade in Eastern Europe. Here the most obvious candidates are those countries where the incumbent party leaders are over 70 years of age—i.e., Bulgaria, Czechoslovakia, the GDR, and Hungary—but the severity of the problems facing the remaining two countries, Poland and Romania, places the durability of those leaderships in doubt as well.

Clearly the prospect of more or less simultaneous successions in all countries of the bloc is unprecedented and, given the other stresses facing these regimes, injects an element of unpredictability into any analysis of the situation. Nonetheless, a brief retrospective look at the experiences of the post-Stalin and post-Khrushchev periods provides a useful backdrop against which to assess the potential impact of both the ongoing succession in Moscow and the parallel changeovers in Eastern Europe on regional stability.

The Lessons of Past Successions.

The fact that the November 1956 Soviet invasion of Hungary occurred three years and eight months after Stalin's death, and the August 1968 Warsaw Pact invasion of Czechoslovakia three years and ten months after Khrushchev's removal, may represent nothing more than an odd coincidence. The evidence suggests, however, that the political uncertainties—in the

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form of personal rivalries, bureaucratic maneuverings, and policy shifts--that characterize a change of leadership in the Kremlin increase the probabilities of miscalculation on the part of one or more of the East European parties as to how much autonomy or systemic diversity Moscow will tolerate. It is not simply a question of the Soviet leadership being preoccupied with domestic affairs, but of the dynamics of the succession process itself: the inevitable jockeying for position among competing factions in the absence of an institutionalized mechanism for the transfer of power, the equally inevitable policy shifts as factional alignments change, and the pervasive opaqueness of Soviet political discourse temporarily masking or distorting those shifts. In these circumstances, the mechanisms of consistent policy guidance between Moscow and the regional parties tend to break down, opening the door to contradictory signals from rival factions or sudden reversals in policies affecting Eastern Europe. While only those parties already experiencing domestic dislocations and turmoil are likely to be so destabilized, neither the record of past succession periods nor the present situation in Eastern Europe can provide much comfort to Brezhnev's heirs.

The rapid-fire shifts in Soviet policy in the three years following Stalin's death in 1953--the Moscow-initiated "New Course," Malenkov's defeat in the "second industrialization debate" and the simultaneous retreat from the "New Course," followed by the beginnings of de-Stalinization with Khrushchev's secret speech to the 20th Congress of the CPSU and the reconciliation with Tito, both seemingly legitimizing the idea of "separate roads to socialism" and the autonomy of socialist states--had a whipsaw effect on the more vulnerable East European regimes. In Hungary, in particular, Malenkov's removal as Soviet premier in February 1955 combined with

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Khrushchev's temporary alliance with Kremlin hardliners, left the hapless Nagy, the reform-minded premier installed less than two years earlier at Moscow's insistence, at the none too tender mercies of Rákosi, the ultra-Stalinist party leader who had himself barely escaped forced removal in June 1953. By the time the Kremlin leadership recognized its mistake, removing Rákosi in July 1956, the frustrated aspirations of Nagy's countrymen for a more humane form of socialism had boiled over into unacceptable demands for political and economic democratization. In the end, the combination of the real and immediate threat to the Soviet position in Eastern Europe and the potential repercussions of the Hungarian events on Khrushchev's personal position in the Kremlin made a military solution virtually inevitable.³²

In the other major crisis of 1956, Polish party leaders were more successful in avoiding the kind of direct Soviet meddling that led to the rollercoaster of hope and despair in Hungary. Nonetheless, encouraged by de-Stalinization in Moscow and under growing domestic pressures, they too pushed for a greater degree of autonomy and liberalization than the Kremlin was willing to countenance. That confrontation ended without the use of military force, but only barely. And it was probably only the stark object lesson administered two weeks later by the brutal suppression of the Hungarian revolt that kept the Poles--and perhaps others--from pressing their demands further.³³

Although the specifics differ, an analysis of events leading to the invasion of Czechoslovakia twelve years later reveals broad similarities in the impact that the post-Khrushchev succession had on that country. Much as the "New Course" had influenced Nagy and his supporters, the quasi-populist mood of the last years under Khrushchev followed by the reformist signals

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emanating from Moscow in the first years of what was then known as the Brezhnev-Kosygin era—in particular, the 1965 economic reform usually associated with the name of Premier Aleksei Kosygin—gave rise to exaggerated expectations among Czech reformers concerning Moscow's tolerance for change in Eastern Europe as well as the direction of development in the Soviet Union itself. While it is true that the power struggle in the wake of Khrushchev's removal was more muted than the one following Stalin's death—and that there were no sharp reversals of policy, such as had occurred with the "New Course" and with such devastating effect on Hungary—the initial quiescence of the conservative faction around Brezhnev only served to magnify the illusion that the moderate "reform" faction had emerged, or was about to emerge, victorious. As Zdeněk Mlynář, one of the key figures in the Prague Spring, later recounted a 1967 visit to Moscow:

. . . My Soviet counterparts . . . were of the opinion that although many of our reform conceptions could scarcely be considered practicable in the foreseeable future in the USSR, it would nevertheless be exceptionally important for them if something like them were in fact to take place in Czechoslovakia. They felt that reforms and democratization would become necessary in the Soviet Union as well. . . . the general opinion (particularly in the party apparatus) seemed to be that [Brezhnev] represented in "interim government" . . . Most I came across hoped for the victory of a rational line based on expertise, one that would at the same time continue in the democratization process. . . . Only in very isolated instances did I encounter pessimism about democratization in the Soviet Union. . . .

I returned to Prague convinced that the situation was not un-

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promising and that we could expect positive developments toward democratization in the Soviet Union as well. Meanwhile, however, it was clear that we had to continue our work with no immediate hope of support from the Soviet theoretical and ideological institutes, . . . Those who sympathized with our efforts were more numerous, but for the time being they had neither the power nor the position to make themselves felt. Nonetheless, I thought that by 1970 this situation might change in our favor. As it turned out, this was one of the worst appraisals of any situation I have ever made.³⁴

A second point of comparison is the reverse impact that developments in Eastern Europe can have on an internal power struggle in the Soviet Union. Just as the Hungarian crisis, as "Exhibit A" in the hardliners' case against de-Stalinization, became a potential obstacle to the consolidation of Khrushchev's power in 1956, so in 1968 the generally perceived threat to Soviet-style socialism posed by the Prague Spring reforms became a potent weapon in the conservative faction's resistance to less radical reforms in the Soviet Union. To quote Mlynář again: "The Kremlin 'hawks' were able to use the problem of democratization in Czechoslovakia as a key issue in resolving the power conflicts inside Moscow at that time. They were consciously exploiting what they felt was an extremely opportune issue for them."³⁵ In this way, the Czechoslovak reformers initially encouraged by similar if more limited tendencies in the USSR, ultimately influenced the Soviet power struggle to their own disadvantage.

The present Kremlin leadership is assuredly aware of this past pattern of misperception and miscalculation. Indeed, inasmuch as Brezhnev's policy toward Eastern Europe throughout the 1970s was aimed in part at averting a



repetition of the miscalculations that had led to the Czechoslovak crisis-- and with Poland as a blunt and continuing reminder of the potential for instability in the region--his former colleagues and immediate heirs are likely to be highly sensitive to the problem. At the same time, and despite whatever precautions the post-Brezhnev leadership may take, the probability that the "succession factor" will once again play an unsettling role in Eastern Europe--and that any resulting instability there will reverberate back on the outcome of the succession in Moscow--is very high. As we have already seen, the depth and complexity of the social and economic problems facing the East European parties, together with the ineffectiveness of the remedies adopted to date, will put great pressure on these regimes to test the limits of Soviet tolerance in their search for more durable solutions. Equally important will be the unprecedented multi-stage, multi-dimensional character of the ongoing (Soviet) and pending (East European) successions.

The Post-Brezhnev/Post-Andropov Succession in the USSR

Well in advance of Brezhnev's death in November 1982, it was generally accepted that the penalty for the remarkable leadership stability of his eighteen-year reign would be a drawn-out two-stage succession. Stage one, it was assumed, would involve the emergence of an interim "caretaker" government made up largely of Brezhnev's aging colleagues and committed essentially to a policy of "Brezhnevism without Brezhnev," but likely to last no more than five years. By contrast, stage two would witness a wholesale generational turnover, affecting not only top Party and governmental posts but reaching down into the second and third layers of the Soviet power structure, and bringing to the fore groups whose political attitudes were largely unknown and untested and whose exposure to the outside world (in-

cluding Eastern Europe) was minimal.

Initially, the selection of Yuri Andropov as Soviet party leader for the first or caretaker stage seemed to promise something more than "Brezhnevism without Brezhnev" and the prospect of a less wrenching transition to stage two. The fact that he was "only" 68 years of age at the time he assumed the General Secretaryship, together with his reputation not only as a tough and shrewd chief of the KGB but as one of the more pragmatic and efficiency-minded members of the Brezhnev collegium, raised expectations both in the Soviet Union and in Eastern Europe that he would move quickly and decisively to attack the accumulated economic problems of the Brezhnev era and to begin rejuvenating the leadership. Among East European moderates in particular, Andropov's prior associations with the region, especially in the 1960s, were seen as boding well for a better understanding of their problems and a more permissive attitude toward reforms, at least of the economic variety.³⁶

Such expectations were by no means entirely unfounded. On the contrary, the first year under the new leadership witnessed a vigorous campaign against corruption and inefficiency at all levels, the replacement of a number of key officials, and a resurgence of reformist thinking reminiscent of the Malenkov and Kosygin phases of the last two successions. Andropov himself repeatedly and sharply criticized the half-measures and foot-dragging characteristic of past reform attempts and hinted at the need for a major overhaul of the economic management system. By the end of 1983, a new inner core of younger associates of the Secretary-General, mostly in their late 50s and early 60s, had begun to take shape in the Politburo and Central Committee Secretariat. Yet at the time of his death in February 1984, Andropov could claim no concrete policy changes, while the selection



of Konstantin Chernenko, at age 73, as the new Secretary-General ensures that the succession will now be a three rather than two-stage affair.³⁷

For the East Europeans as well, the results of Andropov's brief tenure were ambiguous at best. Despite the fact that Soviet planners continued to be admonished to study the experiences of the more innovative East European economies--Bulgaria and the GDR were most often cited as the examples to emulate, although Hungarian agriculture also came in for favorable mention--this interest was not translated into a green light for further systemic reforms. Rather, the emphasis in Moscow's approach to the region was on caution and conformity, the "dovetailing of economic and social decisions" and "joint appraisal of collective experience," which will help "to bring the structures of economic mechanisms closer together." Now Andropov's death, barely 15 months after his appointment, implies a prolongation of the transition period, in which the region's pressing problems will be relegated to a back burner while contending factions and generations in the Kremlin sort themselves out.³⁸

The East European Successions

The Brezhnev legacy of leadership continuity in the Soviet Union is reflected in a similar pattern of longevity or immobility in several of Moscow's East European allies. In 1984 the leaders of four of the six regional parties are over 70 years of age: Todor Zhivkov, Secretary-General of the Bulgarian Communist Party (BCP); Gustáv Husák, Secretary-General of the Czechoslovak party (CPCS); Erich Honecker, Secretary-General of the GDR's Socialist Unity Party (SED); and János Kádár, First Secretary of the Hungarian Socialist Workers' Party (HSWP). In the two remaining countries, Poland and Romania, party chiefs General Wojciech Jaruzelski and Nikolai

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Ceaușescu are younger (61 and 66 respectively); but for different reasons these regimes, too, are vulnerable to further, possibly sudden change: in Poland because of continuing political and economic turmoil in the wake of the crushing of Solidarity, as well as the anomalous and still fluid relationship between the party and military; in Romania because of the dismal economic performance and political oppressiveness of the Ceaușescu regime. Thus, whether as a result of natural attrition or other causes, all six East European parties face the possibility, if not the probability, of a substantial turnover in the ranks of leading cadres during the remainder of this decade.³⁹

The postwar history of political succession in Eastern Europe does not suggest that this should necessarily be an alarming prospect. In contrast to Soviet successions, a change of leaders in one of the regional parties has typically been a quick and relatively neat affair which, far from ushering in a period of intense factional rivalry and policy uncertainty, has generally signaled at least a temporary end to uncertainty. The difference is to be explained not by the existence of some institutionalized mechanism for the orderly transfer of power absent from the Soviet system--as in the USSR, there is none--but by Moscow's overriding interest in stability in the region. Thus Soviet influence over the process of leadership selection and replacement within the bloc acts as a substitute for an internal transfer mechanism and as an external check on the eruption of a full-blown power struggle in one of its client states.

This is not to say that Moscow exercises uniform and decisive control over the appointment of a new leader. Rather, available evidence suggests that, at least in the post-Stalin period, the extent of that control or influence has varied considerably. It was most apparent, for example, in the

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imposition of Kádár in Hungary in 1956, the 1969 replacement of reform leader Alexander Dubček by Husák in Czechoslovakia, and the forced retirement of Walter Ulbricht in the GDR in 1971. On the other hand, the Soviets seem to have had little or no say in the choice of Ceaușescu as Romania's new party leader in 1965. In the more ambiguous cases, whether or not a new leader has been handpicked by Moscow or merely approved, the Kremlin's seal of approval appears to be essential to his promotion and consolidation of power. Even where Soviet influence is limited and indirect (as in Poland in 1956, 1970 and 1980) or negligible (as in Romania in 1965), fear of more direct interference by Moscow becomes an important factor encouraging a party to close ranks around a new leader.

There is, however, one glaring exception to this general pattern—one set of circumstances in which the Soviet presence ceases to have a stabilizing influence in an East European succession and becomes itself an added element of instability. This occurs when the East European succession coincides with a change of leaders in Moscow and, what is especially important, when there is a close correspondence between the contending factions and issues on each side, as was the case in the Hungarian and Czechoslovak crises. It is precisely the possibility of a recurrence of this set of circumstances—this time perhaps in several countries simultaneously, in an extended period of leadership change in the Soviet Union, and at a time when both the Soviets and the East Europeans face broadly comparable problems—that will make the regional situation unpredictable and potentially volatile. Once again, it is almost inevitable that succession processes will become intertwined, with fundamental change in Eastern Europe both hostage to and a factor in the outcome of a power struggle in the Kremlin.

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V. THE OUTLOOK FOR POLITICAL STABILITY IN EASTERN EUROPE

In a region as diverse as Eastern Europe, the particular mix of factors either contributing to or detracting from political stability will obviously differ markedly from country to country. With so much attention focused in the last several years on Poland, it is useful to begin with an overview of that country's continuing crisis in order both to identify the essential conditions for a restoration of stability there, and to provide a base line for gauging the likelihood of a spread of the "Polish virus" elsewhere.

Poland.

The immediate causes of the Polish crisis that burst into the headlines in August 1980 (although it actually began several years earlier) are sufficiently familiar that they can be quickly summarized here. The key elements were: first, an excessively ambitious and unbalanced strategy of industrial development, financed largely by Western credits and leading to a growing dependence on imported raw materials and technology; second, the failure to implement economic reforms that would have led to more efficient use of energy and other inputs and to the improvements in product quality necessary to become competitive on world markets; third, the return to a policy of deliberate discrimination against the dominant private agricultural sector in favor of the grossly inefficient state and collective farms, prompting the out-migration of the younger generation from the countryside and discouraging production especially of meat products; fourth, wage increases well beyond what could be justified by increases in productivity--a policy aimed at buying off the Polish working class in the wake of the Baltic Coast strikes of 1970/71 and made possible only by the influx of Western credits, but which led both to repressed inflation (shortages of foods and other consumer

goods at fixed state prices) and to a rise in real living costs (with rapid price increases on "free" and black markets); and, finally, widespread corruption among party and government bureaucrats, who diverted resources from general social fund to private use or to facilities restricted to elites.⁴⁰

With Poland's hard-currency debt approaching the \$20 billion mark in the late 1970s, aggravated now by the rising cost of Soviet energy and raw materials under the revised intra-CMEA price formula introduced in 1975, a number of choke-points began to appear in the economy as the regime sought to maximize exports while cutting imports even of essential goods. With shortfalls in energy supply acting as the key bottleneck multiplier, disruptions in transportation, raw materials supply, equipment and spare parts, as well as many consumer items, set off a vicious downward spiral whereby shortages of inputs led to declines in production and product quality, which in turn reduced export capacity, leading to more cuts in imports, increased strains on domestic markets, deterioration of public services, further pressure on living standards and a weakening of labor incentives and discipline. Attempts to stem the tide—for example, by forcing up coal exports (Poland's premier hard-currency earner) or curbing grain imports—led only to longer term structural problems, such as massive damage to power generating equipment (from low-quality or adulterated coal delivered to domestic consumers) or stress slaughtering of breeding stock (for lack of feed grains). In a very real sense, then, the increases in retail meat prices which set off the events of August 1980 were merely the catalyst, but not the root cause of the crisis.

Clearly Poland is the first East European country to experience such an acute and broad-based economic collapse; as we shall see, however, none of the specific problems afflicting Poland is unique to that country. What is

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unique is the way in which widespread social discontent, which elsewhere has remained largely unfocused and unorganized, coalesced spontaneously and almost overnight into a nationwide mass organization with a coherent program. To understand the Solidarity phenomenon, we must look at three sets of factors: (1) the cultural/historical heritage; (2) the cumulative experiences of previous postwar crises; and (3) the tactics of the Gierek leadership between 1976 and 1980. In the first category, the proverbial anti-Russianism of the Poles is only the most obvious influence; more important to spirit that gave rise to Solidarity was the experience of more than a century of partition, during which the Poles developed both a capacity for clandestine organization and a sense of social community (społeczeństwo), with the Catholic Church and the intelligentsia rather than the alien state as the foci of national identity and values. Second, the postwar experiences of the Polish working class are unique in Eastern Europe in that three times prior to August 1980 (in 1956, 1970, and 1976) it forced the communist regime into major economic concessions, and in the first two instances into changes in party leadership. At the same time, on each occasion the population saw its gains whittled away because they were not backed up by political guarantees, in particular by institutionalized constraints on the arbitrary powers of the party. Third, the apparent confidence of the Gierek regime in the wake of the June 1976 crisis that it could wear down the opposition through a process of attrition—that a more concerted crackdown might only popularize anti-regime sentiments and would certainly damage Gierek's credibility with the West (a factor also in Soviet calculations)—proved a major misjudgment. As a result of this relatively lenient treatment, the various elements of the opposition were able establish the basis for the organizational networks that proved critical in August 1980. No small in-

fluence on this process was the election of Pope John Paul II in the fall of 1978, an event that not only put Poland in the international spotlight (further inhibiting tough repressive measures) but served as a psychological shot in the arm for the frustrated and demoralized population and greatly enhanced the church's leverage vis-a-vis the regime.⁴¹

A final unique aspect of the Polish situation was the extraordinary 16-month duration of the reform phase of the crisis. In other East European crises, including previous crises in Poland, the period of open challenge to a regime had always been measured in days or weeks, or at most a few months, before the onset of "normalization." The fact that Solidarity held both the Polish regime and Moscow at bay for nearly a year and a half meant that the nation was exposed to an agonizing reappraisal by the ruling party of its errors and malfeasance, to candid discussions of the need for fundamental political and economic reforms and, for the first time in the lives of most Poles, to the opportunity for meaningful political participation. Never before in a Soviet-type system has there been such a complete breakdown of the ideology into its component and ultimately incompatible parts. The Polish working class did what Marx predicted the proletariat would do--and what Lenin doubted that it could do--it found its class consciousness and rose up against an exploitative, privileged ruling class. The irony, of course, was that this consciousness was both nationalist and religious, and that the ruling class (or "red bourgeoisie" as the Poles sometimes called it) ruled in the name of that secular "opiate of the people," Marxism-Leninism.

Today Poland provides the most graphic validation of Lowenthal's thesis concerning the indispensability of legitimacy based on political processes in the absence of continuous successful performance. Although the country's four-year economic slide bottomed out in 1983, with GNP rising by about four

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percent over 1982 levels, the overall level of economic activity was still at least 25 percent below peak levels achieved in 1978, while living standards may have declined by as much as 20 percent (on top of a drop of at least 25-30 percent between 1980 and 1982). By one account, net production in agriculture (impacted by sharp cutbacks in imports of feed grains and other inputs) has fallen to the level of the mid-1950s. In the meantime, nothing has been done to correct glaring structural problems resulting from decades of distorted development. Basic infrastructure investments continue to be neglected; the material- and energy-intensiveness of Polish industry continues to rise, as resources for essential technological improvements decline. The package of economic reforms passed early in 1982, shortly after the declaration of martial law, remains largely on paper, thwarted by a combination of bureaucratic resistance, retention of central control of allocation of key materials in the face of severe shortages, and reluctance to remove subsidies from unprofitable enterprises.⁴²

In light of these intractable economic problems, the prospect that the Polish regime can emulate Kádár's "populist" strategy in Hungary after 1956 --a hope that has been entertained in the West as well as in Poland--seems doomed to frustration.⁴³ Moreover, if the option of using material incentives to ease a tense political situation is not feasible, neither can the regime use political concessions to ease the economic straitjacket in which it has put the population. For the highly politicized Poles, who have been betrayed on four previous occasions by the party's pious promises of regeneration and commitment to the social goals of socialism, nothing short of institutional guarantees of a popular voice in the basic decisions of society can do much to restore the credibility of the system. On the other hand, the regime can do little more than trot out shop-worn formulae about the

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"leading role of the party" and promised improvements in the institutions of "socialist democracy."⁴⁴

The fact that on several occasions since martial law the regime has successfully imposed onerous price increases without the disturbances that occurred in 1970, 1976 and 1980, says little about the basic stability of the present situation. Party officials regularly bemoan the loss of ideological legitimacy and the depth of social alienation, especially among the younger generation. In addition, organizational weaknesses and factional infighting within the party have left Jaruzelski no alternative but to rely, at least temporarily, on the administrative talents of the military officer corps—a situation that will fuel a political tug-of-war in Poland, with possible repercussions in Polish-Soviet relations as long as it persists.⁴⁵ Thus, while the unique combination of circumstances that produced the Solidarity phenomenon in Poland is unlikely to recur elsewhere in the bloc, neither will any of the traditional sources of stability and legitimacy be available to that regime in the foreseeable future.

Bulgaria.

The contrast between Poland and Bulgaria could scarcely be more striking. The smallest of Moscow's East European allies, Bulgaria enjoys a well deserved reputation as the most stable and reliable—and therefore (less deservedly) as the least interesting of the six. A country with close cultural and historical ties to Russia, Bulgaria has experienced no major outbreaks of popular unrest in nearly forty years of communist rule (the abortive military coup attempt in 1965 notwithstanding). Party leader Zhivkov has held his position as secretary-general since 1954, making him the longest surviving party leader in the bloc (only Enver Hoxha of Albania has been

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in power longer). Of the East European economies, Bulgaria's has long been the most closely integrated with the Soviet and, on a per capita basis, has benefitted from a higher level of subsidies.⁴⁶ As a result, the economy remains one of the strongest in the region and is expected to grow by a respectable 4 percent annually during the current five-year plan (although economic performance may sometimes be overstated). In addition, the regime has made a concerted effort since the early 1970s to bring about a steady, if still modest, rise in the general standard of living of the population.

On the other hand, the mere fact of Zhivkov's long tenure and the high degree of dependence on the Soviet Union suggest possible sources of tension and instability for the future. The Bulgarians have been the beneficiaries of Soviet largesse not only by receiving the highest per capita deliveries of subsidized oil in recent years, but also by re-exporting substantial amounts of that oil as refined products at higher world prices, a windfall that has been used to reduce hard-currency indebtedness.⁴⁷ As this protective cushion deflates with the simultaneous rise in price and fall in deliveries of Soviet oil, they will be faced with many of the same difficult choices—between consumption and investment, reform and retrenchment—that confront the others, although probably still not with the same degree of urgency.

Next to Hungary, Bulgaria has been the most consistent of the East European countries in its pursuit of economic reform. Nonetheless, the Bulgarian "New Economic Mechanism,"⁴⁸ which was introduced in its present form in 1981 and was aimed at improving both the efficiency and quality of industrial production, has fallen well short of expectations. Zhivkov himself has harshly criticized the poor quality of Bulgarian manufactures which, he admitted, is costing the country dearly on foreign markets as well as in

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terms of popular satisfaction and legitimacy. At a specially called national conference of the BCP in May 1983, he hinted that a new NEM might be introduced in 1984 and complained that: "Even those products that we began to produce under foreign licenses have been 'Bulgarized,' that is, we have put on them the imprint of [our] poor level of production." Other pressing problems include serious shortages of raw materials and labor (the latter the result in part of the export of thousands of skilled workers to the USSR and developing countries), a persistent housing shortage, and the inability of the agricultural sector (despite substantial investments) to keep pace with officially established consumption goals.⁴⁹

These problems cannot fail to influence the coming succession, although at 73, Zhivkov has shown a greater willingness than most of his counterparts in the region to replace the dwindling coterie of leaders from his own generation (whose experience has been primarily in party and military affairs) with a younger and presumably more pragmatic group of administrators and economic specialists. In the most recent leadership shuffle, in January of 1984, the promotion of a half dozen prominent experts to top-level party and government posts, together with the merging of several economic ministries, seemed to reinforce the regime's commitment to continuing its moderately reformist course. As Western observers on the scene noted, the shake-up was clearly aimed at putting "economists with good reputations in front-line positions" in the hope of reversing the downward trend in performance.⁵⁰

Nonetheless, as these younger leaders come to the fore, they may be less willing (or able) to pay the automatic obeisance to Soviet priorities that Moscow has been accustomed to. Already there are signs of diminished support for CMEA integration; for example, the Bulgarians have been cool to the idea of a CMEA summit, where they may fear (with some justification)

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that their relatively strong economy will be called on to help support shakier neighbors and where they (and others) are certain to feel increased pressure from Moscow for hard-currency payment for Soviet energy exports. In addition, Sofia may be more reluctant in the future to undertake development projects in Soviet Third World client-states, especially in view of the threat to its investments in Iran and Iraq.⁵¹

Other forms that Bulgarian "deviance" might take are suggested by the example of Zhivkov's daughter, Lyudmila Zhivkova. Until her sudden death in 1981 at the age of 39, Zhivkova, who was apparently being groomed as a successor to party leadership, reflected a new spirit of national assertiveness that may not have been entirely welcome to the Kremlin.⁵² More recently there are signs that Zhivkov himself, who has actively promoted the idea of a nuclear-free zone in the Balkans (no doubt as part of Moscow's anti-NATO campaign), is less than enthusiastic about the announced deployment of a new generation of Warsaw Pact missiles, for fear that it will further impede economic recovery and the expansion of ties with the West.⁵³

In brief, what we are least likely to see in Bulgaria is instability in the form of overt popular unrest. No organized focus of opposition exists, whether within the church, the intelligentsia, or the working class. Moreover, the regime has shown itself quite capable of maintaining domestic order and, especially in the last 10 to 15 years, sensitive to the need to elicit an acceptable level of popular support through incremental material gains. The potential for instability is more likely to manifest itself in pressure on a new leadership to divert more of Bulgaria's strained resources to meet domestic needs at the expense of bloc priorities set in Moscow.

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Czechoslovakia.

Since 1968, Czechoslovakia has been a major test case for the strategy of using rising levels of consumer satisfaction as a substitute for political liberalization. In the early 1960s, Czechoslovakia was the first East European country to experience an economic recession. In response, the proposed reforms aimed at revitalizing the system of economic planning and management also implied a basic rewriting of the social contract: the granting of a more active political voice to the population at the expense of a guaranteed level of well-being and job security regardless of the quality of work performed. By contrast, post-invasion "normalization" was based on what one seasoned observer has called the "three C's: coercion, consumerism, and circuses." Although the economy grew at a respectable rate while maintaining a low level of external debt throughout the 1970s, the reformers' emphasis on technological modernization of industrial production was sacrificed to yet another burst of extensive growth.⁵⁴

Now twenty years after the first recession, Czechoslovakia is experiencing a second, this time accompanied by more intense competition among urgent social and economic priorities, and with little hope that political mechanisms can be used to mediate the resulting social tensions. The failure over the last 15 years to follow through on a program of industrial modernization (especially in the area of resource and energy conservation), together with renewed expansion (which merely added to energy requirements) left the Czechs acutely vulnerable to recent cuts in Soviet oil deliveries and shortfalls in Polish coal shipments. As a result of the gloomy energy outlook, industrial targets for the 1981-85 plan period have been adjusted downward at least three times so far, while the push to increase domestic coal production and speed up nuclear power development to make up for de-

clining energy imports has further distorted an already skewed investment budget. Among the priorities denied resources will be industrial modernization (including the long-postponed modernization of the Skoda Works for lack of hard currency), desperately needed measures to control pollution (now further aggravated by the intensified mining and burning of domestic soft coal), and agriculture (already experiencing a secular decline in per capita output as a result of past neglect and inappropriate development). Under the circumstances, consumption levels which continued to rise through 1981 will be difficult to maintain, and indeed began to slip in 1982.⁵⁵

As in Bulgaria, these tensions are certain to affect the approaching succession, with the important differences that in Czechoslovakia leadership ranks have been far more static and that the issues are already more sharply delineated. Party leader Husák, now 71, presides over a leadership that has remained largely unchanged since it was installed during the post-invasion "normalization" period and that has steadfastly rejected all but the most timid gestures toward economic (not to mention political) reform. The "set of measures," the mini-reform introduced in 1980-81, has had no perceptible impact on the basic command structure or performance of the economy. The lone voice among the old guard urging more far-reaching reforms, Federal Prime Minister Lubomir Strougal, is reportedly seriously ill; while hopes for a stepped-up pace of change aroused by the 1981 appointment of Milos Jakes, a younger member of the CPCS Secretariat and Presidium, as chairman of the party's Economic Commission have proven at best premature.⁵⁶

In the meantime, there is evidence of growing disquiet at other levels of the establishment over the debilitating effects of the present situation on the social climate. As one writer warned in late 1982:

No really fundamental turning point in the economy can be reached

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in Czechoslovakia unless qualitative transformations are brought about in the overall social climate, at all levels and in all social groups. . . . The social climate that prevails at the moment is characterized by increased feelings of hopelessness. Many people are losing hope in the future.⁵⁷

Among the symptoms and causes of this "hopelessness" are disturbing increases in rates of absenteeism, alcoholism and drug addiction, rampant corruption in virtually all areas of the consumer economy, as well as other forms of social alienation; a rising incidence of public health problems associated with unchecked pollution; and widespread disgruntlement within the younger generation over changes in the educational system that are seriously limiting career choice and advancement. Equally distressing to the regime are the growing interest in religion among youth and the corresponding political apathy and passivity even among those who join the party.⁵⁸

Although politically motivated outbursts of the type we have become accustomed to seeing in Poland are not typical of Czechoslovak behavior--witness the virtual absence of such displays during the Prague Spring in 1968--there are several aspects of the current political climate in Czechoslovakia that are reminiscent of the situation in Poland in the three-to-four years prior to the emergence of Solidarity:

- a widespread dissident movement within the church which, despite harsh repressive measures by the regime, has begun to turn out its own underground journals and is attracting a growing number of followers disillusioned by the unfulfilled promises of socialism;⁵⁹
- the broadened scope of activities of the "Charter 77" movement, which in the past several years has begun to play a role not un-

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like that of KOR in Poland in the late 1970s, by acting as the spokesman for a wide variety of causes that otherwise might not have come to public (or Western) attention;⁶⁰

- a burgeoning samizdat literature, going well beyond "Charter 77" or church sources, on a wide variety of literary, historical, and contemporary socio-economic issues;⁶¹ and
- the emergence of several issues that could serve as vehicles for linking these dissident groups (the peace issue and Euro-missile deployment as well as religious persecution) or even for building coalitions spanning establishment and opposition groups (the environmental and socio-economic crises).⁶²

The Husák leadership's response to these diverse, if still inchoate, challenges has so far been the traditional mixture of coercion and exhortation, followed more recently by tentative moves to defuse the most immediate sources of dissatisfaction. The campaign of harassment—directed first against "Charter 77" and, especially within the past year, against dissident clergy and lay activists—has proved largely counterproductive, the latter in particular bringing wide-spread protests. At the same time, the standard "mobilizational" techniques of indoctrination and exhortation have been ineffective in squeezing greater productivity out of the workers and, by mid-1983, the regime apparently decided that a more conciliatory approach was in order. Hence the surprising leniency with which it has treated lax labor discipline (at a time when the new Andropov leadership in Moscow was cracking down hard on similar abuses); hence also the unusual dose of samokritika that the Central Trade Union Council heaped on itself at its September session, in what can only be described as a transparent effort to spruce up its image as a guardian of worker rights. Still another indication of sensitiv-

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ity to the popular mood was the unprecedented admission in the central party press in late October that it had received stacks of letters from citizens concerned over the Warsaw Pact's announced counter-deployments of medium-range nuclear missiles.⁶³

This is not to suggest that we should look to the present leadership for substantive policy changes. Despite hints of disagreement from within the inner core, Husák and company appear determined to stay the "do-nothing" course, perhaps stalling for time in the hope of bequeathing the accumulated problems of the 1970s to their successors in the spirit of Louis XVI: "après moi, le déluge."

The GDR.

Since the building of the Berlin Wall in 1961, reducing to a trickle the debilitating drain on its productive potential, the German Democratic Republic has become the most prosperous and stable country in the region. Among the contributing factors have been: first, Moscow's overriding interest in the stability of its most exposed East European ally, where it maintains the bulk of its anti-NATO troop deployments and through which it gains access to badly needed Western technology—and which has, therefore, been a primary beneficiary of Soviet trade subsidies; second, the recognition on the part of the GDR's leaders that the only defense against the inevitable exposure of its citizenry to their more affluent and incomparably freer fellow Germans in the Federal Republic was to provide them with the highest standard of living in the bloc; and, third, a complex intra-German relationship whereby Bonn has been willing to trade important economic concessions (credits and special access to EEC markets) for expanded human contacts.⁶⁴

In contrast to the situation elsewhere in the bloc, including in the

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Soviet Union itself, the overall rate of economic growth, at least as reflected in official statistics, has remained relatively stable and strong-- 4.4 percent in 1983 with similar projections for 1984, against an average annual rate of 5.4 percent in the 1971-75 plan period and 4.1 percent in the second half of the decade.⁶⁵ However, the weakening of its external support mechanisms over the last few years has shown that the GDR is by no means immune to the malaise afflicting its neighbors. Although by comparison with the "Polish virus" the GDR's problems seem scarcely more serious than a runny nose, the combination of growing economic distortions, stagnating living standards, and a selective but potentially significant rise in political assertiveness could increase domestic demands on the leadership in ways that will complicate relations with both East and West.

As has happened elsewhere, a heavy debt-service burden with the West together with the rising price and declining availability of Soviet oil (aggravated by shortfalls in Polish coal exports) pose both short and long-term dilemmas for East Germany's economic managers. Their immediate response to the energy squeeze has been stepped-up production of domestic brown coal (from approximately 250 million metric tons annually in 1976-80 to a projected 295 MMT in 1985 and 300 MMT in 1990), while longer-term plans call for the increasing substitution of nuclear power for coal (up to 20 percent of electric power generation in 1990 and 50 percent by 2000)—both involving a significant pollution burden (probably as serious a problem in the GDR as in Czechoslovakia) and the diversion of resources and labor from other pressing needs.⁶⁶ On the other hand, in trade relations with the West (especially the FRG), the effort to maximize exports and cut imports (especially of Western technology) is in direct conflict with such priorities as improved product quality, energy conservation and, especially important in the East

German context, continued consumer satisfaction.⁶⁷

These economic strains are appearing just as other sources of social and political disaffection are beginning to emerge: frustration, especially among the young, over restricted educational and career opportunities (related to low birth rates and the shortage of blue-collar workers); cynicism, again among the young, over an emigration policy that forbids working-age people to leave but seems almost to encourage emigration of pensioners; and popular aversion to the pervasive militarization of public life. Indeed, the peace issue, which the Honecker leadership has attempted to manipulate as part of Moscow's campaign against NATO nuclear modernization, appears to have backfired on the regime with the emergence of an independent peace movement opposed to new nuclear deployments by both West and East. There is also the potential that an environmental lobby will evolve out of the peace movement, along lines of the West German "Green" Party. To the extent that there is an organizational focus of these social concerns, it is provided by the Evangelical Church. It was undoubtedly the involvement of the church that protected the peace movement from official harassment. In addition, the church has taken an active interest in a wide range of issues, organizing conferences and issuing position papers on such problems as disarmament, environmental pollution, alcoholism and suicide.⁶⁸

Just how these still embryonic signs of political opposition might affect regime policy is not clear. So far, to the end of 1983, Honecker has not followed the example of neighboring Czechoslovakia, where there has been a severe crackdown on dissident church activists. On the contrary, over the last several years the East German church has won a degree of autonomy--including the right to build more churches and to celebrate the 500th anniversary of Martin Luther's birth--no doubt in part because the regime itself

was intent of exploiting the latter celebration to enhance its own national image and legitimacy. In late October, the regime made the extraordinary concession of publishing dissenting church views on the missile question in the central party press.⁶⁹

Whether or not this relatively relaxed policy toward the church long outlasts the "Luther year" or the final decision on missile deployments on both sides, Honecker's own reservations over this new round in the European arms race suggest the potential for serious policy differences with Moscow. As with his lack of enthusiasm over the prospective CMEA summit, where together with Zhivkov of Bulgaria he fears the GDR may be called upon to help bail out the weaker members, the East German leader's motives here are primarily economic. Already the GDR's official defense budget is scheduled to rise by 7.7 percent in 1984, nearly twice the expected rate for the economy as a whole. In addition, East Germany's urgent need for continued Western (primarily West German) financing is reflected in Honecker's anxiety not to let the deepening East-West chill spill over into intra-German relations. Such nuances are not necessarily in conflict with the Soviet goal of widening rifts within the Western alliance, especially between the FRG and the United States. On the other hand, it is also possible that the leadership hiatus in Moscow, together with the recall of Soviet Ambassador Abrasimov (long regarded as an imperial viceroy of sorts), has inaugurated a period in which policy coordination will not be as close as in the past.⁷⁰

How these issues might influence or be influenced by a change of leadership in East Berlin is not easy to predict. Among Eastern Europe's septuagenarian leaders, Honecker, who turned 72 in 1984, is reputed to be the most vigorous. At the same time, the fact that he presides over a politburo that includes only one new voting member in the last decade suggests that, when

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the change comes, turnover at the top could be rapid.⁷¹ The one thing that can be said with certainty is that a new leadership will not have much time to perfect its balancing act in the complex triangular relationship with Moscow and Bonn. With the rapid disappearance of Soviet subsidies and the generally taut economic situation within CMEA, no East German leader can allow superpower politics to interfere with intra-German relations, which now provide the only source of external relief for the strained GDR economy. But neither can he afford to stray far from the Soviet fold, for fear that too close an association with the Federal Republic will erode the legitimacy of a separate East German state.

Hungary.

The contrasts between the Hungarian and Polish situations are especially illuminating. In 1956, Poland emerged the apparent victor, extracting important concessions from Moscow, while Hungary's revolt was crushed in a brutal Soviet invasion. Yet nearly thirty years later, Hungarian party chief Kádár not only remains in power but has introduced more extensive and enduring economic reforms than in any other East European country. Indeed, he is the only leader in the bloc who can be said to enjoy a modicum of genuine popularity, a direct result of the fact that the population enjoys adequate supplies of foods and other consumer goods as well as a relaxed political climate. In the meantime, Poland has experienced repeated crises, three changes in the top-level leadership, and no lasting reform.

Although there has been a good deal of speculation about the applicability of the "Hungarian solution" to other centrally planned economies, careful analysis of Kádár's relative success suggests that, just as the sources of Poland's recurrent instability are complex and in important respects

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unique to that country, so too the introduction of Hungary's New Economic Mechanism (NEM) in 1968 and its partial survival over the next decade were due to a fortuitous combination of circumstances that cannot easily be replicated. In particular, the Hungarian experience suggests that reform of the East European economies is a lengthy and delicate process, both economically and politically, requiring a high degree of policy consistency both at home and in Moscow. From the economic point of view, the establishment of some degree of equilibrium (especially a restructuring of investment priorities in favor of long neglected consumer sectors) would seem to be a prerequisite to implementation of genuine reforms, if those reforms are not to bring unacceptable levels of inflation and (however temporary) unemployment. It is worth recalling that in pre-NEM Hungary this preparatory period extended over more than half a decade. From the political point of view as well, effective reform requires a gradual weeding out of party and government officials who have opposed past reform efforts, as well as the neutralization of those elements who might be tempted to push the reforms beyond acceptable limits. In the Hungarian case, the total collapse of the Stalinist party in 1956, the simultaneous defeat and emigration of genuinely liberal elements, together with the subsequent support that Kádár enjoyed vis-à-vis his domestic hardliners from both Khrushchev and (at least until 1971) Brezhnev, were all essential ingredients in the implementation of the NEM. Yet even this did not protect Hungary from both external and domestic pressures during the 1970s.

Both in and outside of Hungary, there are fears that the remarkable stability that has accompanied Kádár's long tenure cannot outlast him. Of all the East European countries, Hungary's terms of trade have suffered most from spiraling energy and raw material prices. With per capita hard-currency

debts even higher than Poland's, and under pressure from the International Monetary Fund to impose austerity measures at home, overall economic activity was expected to rise by a mere 1 percent in 1983, with domestic consumption and investment both scheduled to drop, by 2 and 9 percent respectively. Preliminary results indicate that as a result of import restrictions, mediocre industrial performance, and a severe drought, even these low targets were not met. In particular, crop losses between 15 and 30 percent may have cut hard-currency earnings by as much as a third (reducing an expected foreign trade surplus of \$700-800 million by \$200-300 million) and will mean higher food prices in 1984.⁷²

For the better part of two decades, Kádár's shirt-sleeve populist style of leadership—his unusual candor concerning the causes of the country's economic difficulties, his promises to protect basic consumer supplies, and his somewhat unorthodox economic policies which provided some outlets for private initiative—allowed the regime periodically to raise prices and hold down real incomes without the social outbursts that accompanied similar attempts in Poland. Similarly, his relative tolerance of criticism within the system relegated political opposition to marginal significance.⁷³ As elsewhere, however, the strains on the basic social contract now threaten to give rise to a more visible and organized dissident movement encompassing a broad range of social and political issues: an independent "Peace Group for Dialogue"; advocacy by dissident clergy of conscientious objection to military service; a burgeoning samizdat, or underground publishing activities; and, perhaps most alarming for the regime, a revival of intellectual interest in the fate of Hungarian minorities in neighboring countries, including recent protests over the treatment of Hungarian nationals in Czechoslovakia and Romania. Even the HSWP has not been immune to dissent, as evidenced by

Kádár's recent references to "erosion in the party's ranks" and his admonition to members at all levels to fall in line behind the leadership.⁷⁴

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The regime's response to these challenges both on the economic and on the political front has been discrete. On the one hand, it has come down relatively hard on openly dissident groups: When the "Dialogue Group" refused to merge with the official National Peace Council, it was harrassed into disbanding; dissident intellectuals, accustomed to fairly lenient treatment, suddenly found their apartments raided and materials confiscated, especially if they had strayed into the explosive issue of nationality relations. At the same time, Kádár's reaction to economic adversity has not been retrenchment; on the contrary, he seems intent on pushing ahead with a further liberalization of Hungary's already unorthodox economy (although not with the full-scale "reform of the reform" that some of his economic advisors want). He is also committed to restoring a measure of public consensus not by stifling political debate, but by a modest expansion of opportunities for interest articulation and participation (e.g., the recently unveiled electoral reform, increased autonomy for the trade unions, and the apparent willingness of the leadership to grant the church a somewhat broader role in exchange for help in solving pressing social problems). Yet, implementation of these reforms is certain to aggravate Kádár's problems with party conservatives (and some within the working class) for whom his economic reforms represent unacceptable deviations from socialist ideological principles.⁷⁵

A final element of uncertainty on the domestic front is Kádár himself, who turned 72 in 1984. Although Hungary has to be ranked with Bulgaria and the GDR as a basically stable country over the last quarter century, that stability has been more closely linked with the personality and policies of a single leader. Thus, while he has made a more concerted effort than the



other elder statesmen of the bloc to promote a new generation of leaders to top policy-making positions, it is questionable whether he will be able to bequeath to a successor either his style of leadership or the relationship of mutual confidence and candor that he has established both with the Hungarian population and the overlords of the Kremlin. In particular, fears center on the possibility that disgruntled hardliners within the party will use the succession to try to stage a comeback, provoking a factional struggle with unpredictable consequences for domestic and foreign policy.⁷⁶

On the international front, the Hungarians must continue to walk the narrow line between the sometimes incompatible requirements of loyalty to Moscow and expansion of economic ties with the West. Despite a successful visit to Moscow in July 1983, during which Kádár apparently received a cautious go-ahead for his continuing reforms, Andropov's death may signal another hiatus and reassessment (especially in view of well-known reservations over Kádár's policies in Prague and East Berlin). In the meantime, other sources of tension in bloc relations include: reductions in Soviet oil deliveries and declining terms of trade, both of which further burden the Hungarian economy; increased pressure for integration within CMEA according to traditional command principles, which tends to undercut Hungary's reforms at home; and the rising pitch of East-West confrontation, which not only threatens to impose an increased defense burden on the economy but runs counter to Hungary's urgent need for continued financing from and trade with the West. On this point, Kádár's determination to minimize the effect of the superpower chill on his country's ties with the West was demonstrated in a flurry of diplomatic activity in late 1983 and early 1984, with high-level visits to and from the United States, Britain, West Germany and Italy.⁷⁷

Romania.

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Of all the East European countries, Romania betrays the closest resemblance to Poland in its past economic policies and present difficulties. Not surprisingly, then, Romania is often identified as the most likely locus of next major political crisis in the region. At the same time, the strict control that Ceausescu maintains over his party and potential sources of internal opposition, together with the concern shared by elites and population alike that domestic divisiveness could invite Soviet interference, makes any predictions concerning stability or instability in that country, not to mention the forms that such instability might take, highly problematic.

As in Poland, an excessively ambitious program of industrial expansion, unaccompanied by efficiency-oriented reforms in the system of economic planning and management, led to a growing reliance on costly imported resources and technology. As Romania's external debt burden grew (to an estimated \$10 billion in 1982), the government slashed hard currency imports (reportedly by as much as one-third in 1982 alone) and maximized exports at the expense both of industrial production and especially of domestic consumption (which may have dropped by as much as 12-14 percent in real terms in 1983). Unlike the Polish economy after 1978, the Romanian economy has continued to grow, at least according to official statistics. But the rate of growth has fallen dramatically not only from the rates achieved in the 1970s (11.3 percent per year in the 1971-75 period and 9.4 percent in 1976-80), but also relative to plan targets for 1981-85. Moreover, as imports shrink and exports rise, choke-points have emerged not unlike those that brought Poland to the brink of economic and political collapse in 1980: in particular, energy, industrial inputs and spare parts, transportation, and food supplies.⁷⁸

Of these, the energy shortage is by far the most critical and, as in



Poland, threatens to bring the rest of the economy down with it. A centerpiece of Romania's development strategy was the expansion of refinery capacity to process Middle Eastern as well as domestic crude, much of it for resale on world markets as a source of hard currency for Western technology imports. The prolonged war between Iran and Iraq (Romania's main Middle Eastern suppliers), their own hard-currency problems (curtailing replacement of crude imports and encouraging continued exports of refined products) as well as declining domestic production, have combined to confront the Romanians with idle refining capacity and an acute shortfall of energy for domestic consumption. Resulting power cuts have led to disruptions in production schedules, damage to sensitive industrial equipment and, in December 1983, to a draconian decree (backed up by threats to confiscate appliances or shut off power) imposing a 50 percent cut in personal use of electricity by the population. In addition, frantic efforts to overcome the shortage--by re-opening old wells, investing in new drilling equipment, and setting wholly unrealistic targets for coal extraction--have been extremely costly both in terms of hard-currency outlays and opportunity costs as scarce investment resources are drained away from needed industrial and social investments.⁷⁹

Among the sectors that have been shortchanged are agriculture, housing, education, health care and scientific research. Agriculture in particular, despite systemic differences, shows deficiencies reminiscent of Polish agriculture in the 1970s: the migration of the most able young workers to expanding industries, the unwillingness of peasants to perform unremunerative work on collective farms, "penny-wise pound-foolish" cuts in fertilizer imports, the inability of domestic industry to supply essential equipment and machinery, and the push to maximize exports at the expense of already meagre domestic food supplies. By all accounts, the retail food situation in Roma-

nia is worse than in Poland at any point in its recent crisis, and rations for meat and flour were again cut at the beginning of 1984. To date, the leadership's response has been a ludicrous attempt to convince the population that the reduced food rations represent a scientifically healthier diet.⁸⁰

Ceausescu, like Gierek before him, has rejected suggestions that faulty economic policies are in any way responsible for Romania's woes, preferring to blame external factors and lax discipline at home. To the extent that he has been willing to contemplate reform at all (the word "reform" is assiduously avoided by the Romanian press), genuine decentralization or the introduction of meaningful financial controls over industry have been postponed in favor of the imposition of severe austerity measures on a population already burdened with the lowest living standard among the CMEA-6. In addition to the energy cuts and food shortages noted above, the regime has been whittling away at standard social welfare services that have long been taken for granted as automatic benefits of socialism. In such areas as health care, housing, education and day care, levels of service have either been reduced or the population is being required to contribute on a fee-for-service basis for benefits previously provided free of charge or at nominal cost. Potentially the most damaging "reform" was the scrapping in late 1983 of the guaranteed minimum wage and its replacement by an official wage "increase" linked to plan fulfillment--an Orwellian formula that in present economic circumstances (with rampant shortages of energy, materials, and parts) is almost certain to lead to a further decline in real incomes.⁸¹

While it might be tempting to carry the analogy into the political arena, the similarities between Poland and Romania end here. As a latecomer to industrial development (even in East European terms), Romania has no tra-

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dition of working class activism; there is no coherent dissident movement among the intellectuals, much less the prospect of a worker-intellectual alliance; the dominant Orthodox Church has generally been a pliant tool of the regime. In brief, Romania shares none of the social or institutional mechanisms that have served to focus and channel discontent in Poland, and that are beginning to provide the basis for nascent opposition elsewhere. True, strikes have occurred, the best known being the coal miners' strike in the Jiu Valley in 1977. But Ceaușescu has handled such localized outbursts in typically Soviet fashion: by isolating the affected area, mollifying the strikers with temporary material concessions (generally improved food supplies), followed by ruthless suppression.

Over the past two decades, Ceaușescu has succeeded in imposing this neo-Stalinist regimen of material hardship and political repression by combining it with a carefully orchestrated campaign of national assertiveness in both foreign and domestic policies. Following the example of his predecessor Gheorghiu-Dej, whose rejection of Khrushchev's plan to transform CMEA into a supra-national planning organization and re-Romanization of Romanian culture and history first provided the regime with broad popular support, Ceaușescu has consistently used limited defiance of Moscow coupled with frequent appeals to national sentiment to counterbalance popular dissatisfaction with conditions at home. That he hopes to continue this tactic to ride out the present economic crisis is evident from his noisy exploitation of the Euromissile and peace issues, on which the Romanian regime has broken ranks with the other members of the Warsaw Pact to condemn missile deployments by both West and East and has attempted to rally popular support through officially-sponsored mass demonstrations.

Whether Ceaușescu's maverick image and international visibility will

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again be sufficient to maintain domestic quiescence and his personal position is open to question on several grounds: First, the credibility of his independent foreign policy stance could soon run afoul of Romania's urgent need for Soviet oil and additional economic concessions from CMEA, leaving the regime vulnerable to pressures to bring its policies more into line with Moscow's preferences.⁸² Second, in view of the drastic nature of recent austerity measures—which apparently go well beyond the recommendations or conditions set by the International Monetary Fund—Ceausescu's strategy could well backfire on him by further reducing in worker motivation and productivity, with obvious implications for living standards and export potential. Should this occur, social unrest in some form is almost a certainty, most likely in a repetition (perhaps on a much broader scale) of the Jiu Valley strikes, but in all probability lacking the organizational cohesion that gave Solidarity its staying power.⁸³

The third and most problematic question concerns the possibility of a challenge to Ceausescu's leadership from elites appalled by the economic disarray around them and offended by the ever growing cult of the Ceausescu family. The problem is identifying a group or groups from which an effective challenge might come. The Romanian leader has so far been clever enough to preempt any potential opposition—most recently, according to rumor, within the military officer corps—before it can organize itself. Moreover, the common elite interest in maintaining both national unity against possible Soviet interference and the party's monopoly of political power within the country provides strong incentive not to rock the boat. Thus, the odds seem to favor a continuation of the Ceausescu regime and a further postponement of any reckoning with the explosive legacy of his rule.⁸⁴

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VI. CONCLUSION: THE VIEW FROM THE KREMLIN

From the vantage point of the current Kremlin leaders, the view of their East European allies must be a sobering one. During the 1970s, Soviet policy was based on confidence that they had found a formula for long-term stability in the region, one that would promise both economic growth and political cohesion but without the risks of unacceptable political reforms. In brief, Brezhnev's strategy of alliance management, which grew directly out of the Czechoslovak challenge of 1968 and the Soviet Union's enhanced global capabilities and ambitions, consisted of three mutually reinforcing strands: (1) East-West detente with the attendant increases in credit-financed trade and technology transfer to both Eastern Europe and the USSR; (2) a reassertion of Soviet ideological initiative, more in a negative than a positive sense—that is, less in order to impose rigid orthodoxy or conformity (what must be) than to place limits on systemic diversity (what must not be); and (3) renewed emphasis on economic integration within CMEA, soon expanded to include a number of Moscow's Third World clients.

In a superficial sense the latter two elements, stressing economic and ideological cohesion, may have appeared incompatible with the atmosphere of detente. In the Soviet mind, however, the three elements were not only compatible, but each was the necessary complement of the others. Specifically, in the absence of comprehensive Czech-type reforms the essential improvements in the region's economic performance could be had only at the price of substantial increases in trade and technology transfer from the West. On the other hand, if Moscow were going to allow Eastern Europe's participation in detente, then prophylactic measures had to be taken to forestall ideological erosion. The third element, the tightening of CMEA ties through the 1971 Comprehensive Program and subsequent joint investment plans, was inten-

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ded to ensure that expanded trade links with world markets would not be at the expense of Moscow's long-term development plans or Eastern Europe's support of its Third World activities.

The failure of Brezhnev's strategy—of which Poland is only the most dramatic example—is forcing his successors to find a new formula at a time of heightened tensions and narrowing options. A principal tool in the Kremlin's alliance management kit has traditionally been the selective application of economic bandages to ward off the unwanted infection of political change. In the past, however, Moscow's ability to maintain both stability and systemic conformity in Eastern Europe, and to contain its periodic crises, has been facilitated by two factors: first, that at any one time a crisis has been limited to a single country (even in 1956 the climax of the Polish events had passed before the Hungarian situation got out of hand); and second, that despite the shortcomings of its own economy Soviet resources have always been sufficient to tide over a faltering regime and, especially in the 1970s, to shelter the bloc as a whole from external economic shocks.

Neither of these conditions seems likely to hold in the foreseeable future. On the one hand, the pervasiveness of the region's economic malaise increases the possibility either that crises may erupt spontaneously and more or less simultaneously in two or more countries, or that the ripple effects of a crisis in one may be enough to tip the balance in others (just as the collapse of Polish coal exports in 1981 caused serious dislocations in energy supplies and industrial production in the GDR and Czechoslovakia). On the other hand, as we have already seen, the cost of the region's crises has escalated sharply in recent years, beyond the willingness and perhaps even the ability of the Soviet economy to absorb. While the Soviets may be wil-

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ling as some analysts suggest,⁸⁵ to continue providing a modest level of assistance on a selective basis, the blanket granting of large trade subsidies is clearly a thing of the past.

Thus they are faced with a disagreeable choice between two options, both of which have been rejected in the past as either too costly or politically unacceptable. First, they could ease the strains on the region's economies by allowing these countries to reduce their contributions to such "common" goals as Warsaw Pact defenses, the long-term target programs within CMEA, and economic assistance to the less developed members of CMEA. Apart from official defense budgets (which may significantly understate overall military expenditures by the East Europeans), these contributions to bloc-wide programs are impossible to quantify. But there is some evidence to suggest that they impose a considerable burden, distorting investment plans to suit Soviet-defined priorities and generally diverting resources from pressing domestic needs. Second, the Soviets could reverse their alliance management formula of the 1970s; that is, instead of using economic concessions to maintain political stability and prevent unwanted systemic change, they could begin using political concessions as a safety valve for present economic strains.

Such an approach would not be entirely unprecedented. There is ample evidence of Soviet tolerance for limited nonconformity (and occasional insolence) from its East European allies where the benefits to bloc stability seemed to outweigh the risks. One need only recall the concessions to private agriculture and church in Poland after 1956, to economic flexibility in Hungary, and to national reassertion in Romania. Thus, it is possible (in several cases probable) that some of the recent departures from orthodoxy-- the acknowledgment of dissenting views on the missile question, conciliatory

gestures toward the church, the GDR's eagerness to maintain intra-German rapprochement, or Hungary's cautious political reforms and diplomatic offensive in the West—had Moscow's blessing in advance, not only because they could reduce domestic political tensions but because they served the Soviet goal of maintaining links to the West European countries in a period of superpower confrontation. Yet concessions to domestic sensitivities (whether approved by Moscow or not) have so far been cosmetic and cannot begin to solve the region's fundamental structural problems, while tolerance of expanded ties with the West carries long-term risks for bloc cohesion.

To date, there is scant evidence that the Kremlin leaders have come to grips with the core dilemmas of Eastern Europe's instability—either that they recognize the systemic straitjacket in which the policies of the 1970s have left these economies, or that they are now capable of making the political and/or economic concessions that will be necessary to pull them out of their present malaise. Now Andropov's death, barely fifteen months after he took office, and the appearance of yet another transitional leader in the person of Konstantin Chernenko only complicate Moscow's problems of alliance management by prolonging the uncertainties and indecision.

The question of the much postponed CMEA summit is a case in point. Since the idea of a full-dress summit, the first since 1971, was broached by Brezhnev at the 26th Soviet party congress in February 1981, the members have been unable to work out a mutually acceptable agenda. With the all important lubricant of CMEA integration—i.e., plentiful supplies of cheap Soviet oil—a vanishing commodity, centrifugal forces are fraying the fabric of the alliance as each member seeks to use the organization to solve its own problems. Indeed, at the time of the most recent postponement, in May 1983, the parties seemed as far apart as ever, each nursing its own set of

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expectations and anxieties. Not surprisingly the Poles were seeking a comprehensive aid package to put their economy back on its feet, something the others have been resisting for several years; nor were they any more receptive to Romania's pleas for increased food and raw material imports at concessionary prices, lest her economy go the way of Poland's. The Hungarians, understandably concerned that renewed emphasis on integration and joint planning would undercut their plans for expanding ties with world markets, continued to press for bloc-wide price reform and currency convertibility. Even the Czechs, who together with the Hungarians have been pushing for a summit, were critical of existing mechanisms of integration. The East Germans and Bulgarians seemed least interested of all, perhaps because, in view of the relative strength of their economies, they feared they would end up footing the bill for any concessions to others.

Despite the special interests dividing them, however, the most serious sources of disagreement appeared to be those uniting the East Europeans against Moscow: first, the sharp increases in prices for Soviet energy and raw materials and hints that the Soviets might press for further cutbacks in oil deliveries or part payment in dollars; and second, fears that proposals for "rationalizing" CMEA through closer plan coordination, stepped-up specialization and the establishment of "joint enterprises" would further compromise their economic autonomy. Ironically, the strains within the bloc seemed to increase after Brezhnev's death. Despite Andropov's reputed sensitivity to Eastern Europe's concerns, he was apparently more insistent than his predecessor on putting real teeth into CMEA's integrating functions. Moreover, with the example of Poland as a useful object lesson, the Soviets reportedly hoped to use the summit "to curb members' financial and technological dependence on the West and force them to do more business with Mos-

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cow."⁸⁶ Yet, to the extent they succeed in integrating the East European more closely into their own unreformed economy, they will put out of reach the improvement in performance and stability they are looking for.

NOTES

1. Seweryn Bialer, Stalin's Successors: Leadership, Stability, and Change in the Soviet Union (Cambridge, England: Cambridge University Press, 1980), pp. 129-31; see also Leon Hurwitz, "Contemporary Approaches to Political Stability," Comparative Politics, vol. 5, no. 3 (April 1973), and Ted Robert Gurr, "Persistence and Change in Political Systems, 1800-1971," The American Political Science Review, vol. 68, no. 4 (December 1974).
2. T. H. Rigby, "Introduction: Political Legitimacy, Weber and Communist Mono-organizational Systems," in Political Legitimation in Communist States, T. H. Rigby and Ferenc Feher, eds. (New York: St. Martin's Press, 1982), pp. 5-10.
3. See, e.g., the discussion of the distinction between "system maintenance" and "system persistence" in Zvi Gitelman, "Beyond Leninism: Political Development in Eastern Europe," Newsletter on Comparative Studies of Communism, vol. 5, no. 3 (May 1972), pp. 18-43.
4. Bialer, Stalin's Successors, pp. 194-95, and note 27 (emphasis in the original).
5. It is interesting to note that the need for such mediating mechanisms was well recognized by Polish social scientists at least several years before the Solidarity crisis erupted. Several months after the June 1976 strikes over food price increases in that country, I attended a conference in Warsaw on "interest articulation in the Polish political system." During the discussions, the June strikes were treated as an "extra-legal" (as opposed to illegal) form of interest articulation in the absence of legal political channels through which the workers could bring their interests to bear on the policy-making process, and the view was expressed that similar outbursts could be avoided in the future only by providing such channels. See

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Sarah M. Terry, "The Sejm as Symbol: Recent Polish Attitudes toward Political Participation," in Background to Crisis: Policy and Politics in Gierek's Poland, Maurice D. Simon and Roger E. Kanet, eds. (Boulder, Colo.: Westview Press, 1981), pp. 27-64.

6. Richard Lowenthal, "The Logic of One-Party Rule," Problems of Communism, vol. 7, no. 2 (March/April 1958); reprinted in The Conduct of Soviet Foreign Policy, Erik P. Hoffmann and Frederic J. Fleron, Jr., eds., 2nd ed. (New York: Aldine Publishing Co., 1980), pp. 117-30.

7. Leszek Kołakowski, "Marxist Roots of Stalinism," in Stalinism: Essays in Historical Interpretation, Robert C. Tucker, ed. (New York: W.W. Norton, 1977), p. 289. I have explored the duality of Marxist-Leninist ideology in more detail elsewhere; see "Theories of Socialist Development in Soviet-East European Relations," in Soviet Policy in Eastern Europe, Sarah Meiklejohn Terry, ed. (New Haven: Yale University Press, 1984), pp. 221-53.

8. Concerning Soviet exploitation of nationalism and Russian Orthodoxy see: Richard Lowenthal, "The Ruling Party in a Mature Society," in Social Consequences of Modernization in Communist Societies, Mark G. Field, ed. (Baltimore: Johns Hopkins University Press, 1976), pp. 102-103; and Agnes Heller, "Phases of Legitimation in Soviet-Type Societies," in Rigby and Fether, eds., Political Legitimation in Communist States, pp. 58-60. Although the divisive aspects of nationalism are no more absent in the Soviet context than in Eastern Europe (minority nationalism, fear of Great Russian chauvinism, etc.), Moscow is in a better position than its East European counterparts to use ethnic and religious prejudice as a means of deflecting dissatisfaction away from the center, thereby enhancing its own authority.

9. Heller, "Phases of Legitimation," p. 61; for a discussion of the Romanian case, see William Zimmerman, "Soviet Policy Toward Romania and Yugo-

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slavia," in Terry, ed., Soviet Policy in Eastern Europe, pp. 125-53.

10. Concerning the unique position of the Catholic Church in Poland, see, e.g., Christopher Cviic, "The Church," in Poland: Genesis of a Revolution, Abraham Brumberg, ed. (New York: Vintage, 1983), pp. 92-108. Concerning church-state relations elsewhere, especially the growing assertiveness of the church in Czechoslovakia and the GDR, James M. Markham, "Signs of a Religious Renewal Rising Across East Europe," The New York Times, January 23, 1984; see also the individual country outlooks in section V below.

11. Walter D. Connor, "Social Change and Stability in Eastern Europe," Problems of Communism, vol. 26, no. 6 (November-December 1977), pp. 19-21.

12. Ibid. pp. 21-22.

13. Bialer's observation to this effect concerning the Soviet Union (Stalin's Successors, p. 182) is no less applicable to Eastern Europe.

14. See further discussion of this point in the following section.

15. Lowenthal, "The Ruling Party in a Mature Society," pp. 106-107.

16. Ibid., p. 109-113.

17. Soviet bloc assistance to Poland directly related to the crisis amounted in 1980 and 1981 to at least \$3.1 billion, almost all coming from the U.S.S.R. itself. Poland's trade deficit with the Soviet Union in 1982 likely added another \$1.5 billion, and this figure does not include price subsidies on Soviet energy and raw material exports, which result from the standard CMEA price formula and are unrelated to the crisis. See Elizabeth Ann Goldstein, "Soviet Economic Assistance to Poland, 1980-81, in Soviet Economy in the 1980s: Problems and Prospects, Selected papers submitted to the Joint Economic Committee, Congress of the United States, Part 2 (Washington, D.C.: GPO, 1983), p. 567; and Andrzej Korbonski, "Soviet Policy Toward Poland," in Terry, ed., Soviet Policy in Eastern Europe, pp. 89-90.

18. Jan Vanous, "East European Economic Slowdown," Problems of Communism, vol. 31, no. 4 (July-August 1982), p. 3, table 1. These figures are based on estimates made by Wharton Econometric Forecasting Associates, Washington, D.C., and generally fall short of official targets which have subsequently been reduced in several countries.

19. Concerning the energy consequences of East European economic development strategies in the 1970s, see John P. Hardt, "Soviet Energy Policy in Eastern Europe," in Terry, ed., Soviet Policy in Eastern Europe, pp. 189-220.

20. "Eastern Europe's Food Crisis," The Economist, December 26, 1981.

21. See, e.g., Jozef Kusmieriek, "Things I Have Known," Survey, vol. 25, no. 1 (Winter 1980), pp. 44-49.

22. For reports of environmental issues in the GDR and Czechoslovakia, see Cynthia B. Schultz, "The GDR Announces Measures to Save the Forests" and Frank Pohl, "Environmental Deterioration in Czechoslovakia," Radio Free Europe Research [RFER], RAD Background Report/62 (March 24, 1983) and RAD BR/95 (May 6, 1983). Environmental problems in Poland received considerable publicity during the Solidarity period, but have since been eclipsed by the more immediate problems of severe economic recession.

23. Concerning changes in educational policy in the Soviet Union, see: Sergei Voronitsyn, "The Vague Outline of Andropov's School Reform," Radio Liberty Research [RLR], RL 410 (November 4, 1983); and The New York Times, January 5, 1984. Among the East Europeans, the Czechoslovaks appear to have patterned their policy most closely on the Soviet, by adding a year to secondary education and strongly emphasizing vocational training over general education; see RFER, Czechoslovak Situation Report/8 (May 9, 1983), and Sonia Winter, "School Reforms to Train Better Workers," RAD BR/275 (December

19, 1983). The Romanians have gone further, imposing a 25 percent cut in those admitted to higher education since the fall of 1980, with especially heavy cuts in the arts and humanities; even in the natural sciences, theoretical subjects are being eliminated or downplayed with the shift of some departments to factories; RFER, Romanian Situation Report/5 (March 17, 1983). Such "reforms" have apparently not been introduced so far in the GDR, but here too the growing disparity between career aspirations and job opportunities is serious enough to command the attention of East German sociologists; Leslie Holmes, "Problems of 'Developed Socialism' in the GDR" (Paper presented to the 15th annual meeting of the American Association for the Advancement of Slavic Studies, Kansas City, Missouri, October 22-25, 1983), pp. 7-8.

24. Vanous, "East European Economic Slowdown." A graphic example of the deterioration of Eastern Europe's terms of trade with the Soviet Union is the fact that by 1981 it took 2,300 Ikarus buses (one of Hungary's top exports) to cover the cost of 1 million tons of Soviet oil in 1981, compared with only 800 in 1974; Magyarország, July 31, 1983, cited in RFER, RAD BR/195 (August 11, 1983).

25. Overall, there was some improvement in Eastern Europe's economic performance in 1983 over 1981-82, with a projected regional growth rate of 3.2-3.5 percent, compared with -1.3 percent in 1981 and 0.1 percent in 1982. Among those improving their performance were Czechoslovakia (2.2 percent in 1983 vs. -0.3 percent in 1982), the GDR (4.4 percent vs. 2.5 percent), Poland (4.0-5.0 percent vs. -5.5 percent) and Romania (3.4 percent vs. 2.6 percent). On the other hand, Bulgaria's performance slipped from 4.3 to 3.0 percent, while Hungary's economy remained flat. The fact that Eastern Europe's recession has apparently bottomed out has revived a cautious interest

among Western bankers in the region, but all agree that future lending will be limited and selective. See Amity Shlaes, "U.S. Banks Looking to Lend Again in Financially Sounder East Europe," The Wall Street Journal, March 1, 1984. For additional details, see the country outlooks in section V below.

26. See N. Fedorenko, et al., "Manage Efficiently: Parameters of Management," Pravda, March 23, 1978 (translated in Current Digest of the Soviet Press [CDSP], vol. 30, no. 12, pp. 6-7); subsequent articles by Fedorenko were excerpted in CDSP, vol. 30, nos. 24, pp. 12-13, and 35, pp. 10-12. Concerning Hungary, see New Times, no. 14 (April 1978), pp. 21-24. Concerning the negative influence of Soviet policy on East European reform prospects following the invasion of Czechoslovakia, see Terry, "Theories of Socialist Development," pp. 239-47.

27. The distinction between partial administrative and comprehensive economic reforms has been best defined by Morris Bornstein. The intent of the former is: "to 'rationalize' the existing scheme of administering the economy, by transferring to lower levels some of the more detailed decisions regarding the composition of output, on the one hand, and production methods, on the other . . . [but] subject to constraints in the form of centrally set global output assignments and input authorizations. This shift would also reduce the burden of decision making at higher levels, freeing them to concentrate on their non-delegable responsibilities regarding investment, location, living standards, foreign economic policy, etc." By contrast, "economic decentralization" marked a major step in the direction of a "socialist regulated market economy" in that it: "envisioned a greater role for domestic and foreign market forces—and concomitantly a smaller voice for central planning and administrative control—in determining the composition of output, the allocation of resources, and even the distribution of



income. . . . The state authorities would still control the 'main directions and proportions' of the economy through macroeconomic policy decisions and instruments (taxes, subsidies, credit) . . . But within this regulatory framework, 'the market,' not 'the plan,' would guide the micro-economic decisions of the enterprises about what to produce and how to produce it." See Morris Bornstein, "Economic Reform in Eastern Europe," in East European Economies Post-Helsinki, A compendium of papers submitted to the Joint Economic Committee, Congress of the United States (Washington, D.C.: GPO, 1977), pp. 109-110.

28. For details of the 1979 Soviet "reform," see Gertrude E. Schroeder, "Soviet Economic 'Reform' Decrees: More Steps on the Treadmill," in Soviet Economy in the 1980s, part 1, pp. 65-88. For additional comments on East European reform efforts, see section V below.

29. For a comprehensive review of current Hungarian reform discussions, see the special issue on "Hungary: The Third Wave of Reforms," Journal of Comparative Economics, vol. 7, no. 3 (September 1983). See also, R.L. Tokes, "Reform or Movement: Issues and Prognosis," paper prepared for a Conference on "Hungary in the 1980s," Columbia University, October 28-29, 1983; RFER, Hungarian Situation Reports/12 & 14 (August 30 and October 17, 1983); John Kifner, "A New Ingredient Spices 'Goulash Communism,'" The New York Times, November 10, 1983; and Amity Shlaes, "Hungary Moves to Liberalize Economy," The Wall Street Journal, December 28, 1983. For an intriguing but isolated discussion of the potential benefits of expanding the scope of private enterprise in Poland, see Zygmunt Szeliga, "Skąd brać pieniądze," Polityka, February 27, 1982.

30. "Przyczyny, przebieg i skutki kryzysów społecznych w dziejach PRL," Zeszyty Historyczne, no. 65 (1983), p. 142. The report, generally known by



the name of commission chairman, then Politburo member Hieronim Kubiak, was commissioned by the 9th Extraordinary of the Polish United Workers' Party (PUWP) in July 1981. By the time the draft was completed, in mid-1982, Poland was under martial law and the report's controversial findings were seen by the regime as too threatening to be made public. After extensive revisions and deletions, it was published in a special issue of the Central Committee's theoretical journal Nowe Drogi in late 1982, but the issue was apparently not publicly available. In the meantime, the main body of the "Kubiak Report" was published in the Polish emigre journal Zeszyty Historyczne (cited above, pp. 137-77), while excerpts appeared in English translation in Survey, vol. 26, no. 3 (Summer 1982), pp. 87-107.

31. See especially reports of the article by Tamas Bauer, "The Second Economic Reform and Property Relations" (Mozgo Vilag, November 1982) in Tokes, "Reform or Movement," pp. 17-19; and the interview with Reszó Nyers in Trybuna Ludu (August 1, 1983) in RFER, Hungarian Situation Report/12 (August 30, 1983), pp. 9-11. Concerning specific proposals for enhancing the role of elected representative bodies, see the earlier article by Nyers ("Unity and Pluralism," Magyar Hirlap, January 27, 1983) reported in RFER, Hungarian Situation Report/3 (February 8, 1983); and Alfred Reisch, "Hungary Unveils Draft Electoral Law," RFER, RAD BR/224 (September 24, 1983).

32. See, e.g., François Fejto, A History of the People's Democracies: Eastern Europe Since Stalin (New York: Praeger, 1971), chapters 1-5; and Ferenc Vali, Rift and Revolt in Hungary (Cambridge, MA: Harvard University Press, 1962).

33. In addition to the Fejto study cited in the previous note, see accounts of events in Poland in Zbigniew K. Brzezinski, The Soviet Bloc: Unity and Conflict, rev. ed. (Cambridge, MA: Harvard University Press, 1967),

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especially chapter 8; and Flora Lewis, A Case History of Hope (Garden City, NY: Doubleday, 1958).

34. Zdenek Mlynář, Nightfrost in Prague: The End of Humane Socialism (New York: Karz Publishers, 1980), pp. 86-87. For additional comments on misperceptions of the Soviet political situation among the Czech reformers, see George Urban's interviews with Mlynář and Eduard Goldstücker, in Communist Reformation: Nationalism, Internationalism and Change in the World Communist Movement, G.R. Urban, ed. (New York, St. Martin's Press, 1979), pp. 73-74 and 116-17. It was not only the Czechs or other East Europeans who misjudged the balance among competing Soviet factions in this period. As astute an observer as Michel Tatu, Le Monde's Moscow correspondent from 1957 to 1964, saw the post-Khrushchev political balance in much the same terms as Mlynar and went so far as to describe an evolution of the Soviet system toward "parliamentarianism" as inevitable, although he recognized the possibility of temporary reversals or "accidents" along the way; see his Power in the Kremlin: From Khrushchev to Kosygin (New York: Viking Press), especially pp. 429-93 and 538-39.

35. Mlynář, Nightfrost in Prague, p. 163.

36. See, e.g., R.W. Apple, Jr., "Some Insights Into Andropov Gleaned From Budapest Role," and John F. Burns, "Andropov's Changes: Early Pace Bogs Down," The New York Times, December 28, 1982, and May 5, 1983; also Allen Kroncher, "Waiting for the Economic Reform," RLR, RL 133 (June 16, 1983).

37. For a review of Andropov's first year as General Secretary, see Jerry F. Hough, "Andropov's First Year," Problems of Communism, vol. 32, no. 6 (November-December 1983), pp. 49-64.

38. See, e.g., O. Bogomolov, "Obshchee dostoyanie: obmen opytom sotsialisticheskogo stroitel'stva," Pravda, March 14, 1983; also the interview with

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Bogomolov on Radio Prague, April 6, 1983, as reported in RFER, Czechoslovak Situation Report/7 (April 19, 1983), and Robert L. Hutchings, "Andropov and Eastern Europe," RFER, RAD BR/26 (February 24, 1984).

39. See Richard F. Staar, Communist Regimes in Eastern Europe, 4th ed. (Stanford: Hoover Institution Press, 1982), pp. 40-41, 46, 78-78, 106-107, 136, 140-41, 170-71, 199-201; and "East European Leadership List," RFER, September 12, 1983. See also discussion of specific leadership situations in section V below.

40. For reviews of the political and economic policies leading up to the 1980 crisis, see R.T. Davies, "Politico-Economic Dynamics of Eastern Europe: The Polish Case," and Zbigniew M. Fallenbuchl, "The Polish Economy at the Beginning of the 1980s," in East European Economic Assessment (A compendium of papers submitted to the Joint Economic Committee, United States Congress) Part I (Washington, D.C.: GPO, 1981), pp. 15-32 and 33-71.

41. See Andrzej Korbonski, "Soviet Policy Toward Poland," in Terry, ed., Soviet Policy in Eastern Europe, pp. 72-76.

42. Concerning economic developments after August 1980, see Zbigniew M. Fallenbuchl, "Poland's Economic Crisis," Problems of Communism, vol. 31, no. 2 (March-April 1982), pp. 1-21; and "The Polish Economy Since August 1980," Canadian Slavonic Papers, vol. 25, no. 3 (September 1983), pp. 361-79. The 1983 figure is based on estimates by Wharton Econometrics and preliminary plan fulfillment data as reported in Shlaes, "U.S. Banks Looking to Lend Again," but may prove to be too high.

43. For the most comprehensive presentation of a "Hungarian solution" for Poland, see Włodzimierz Brus, "Perspektywy 'normalizacji' w Polsce," in ANEKS--kwartalnik polityczny, no. 31 (1983), pp. 37-56.

44. Concerning earlier recognition even at highest party levels of the

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need for authentic political representation, see the "Kubiak Report" cited in note 29 above. The dialectical dilemma posed by attempts to reconcile authentic participation with a one-party monopoly rule is reflected in the serialized debate on "political pluralism" in Nowe Drogi, the theoretical monthly of the Central Committee of the PUPP, beginning with the September 1982 issue and running at least through December 1983; see also RFER, Polish Situation Report/4 (February 25, 1984) concerning the extension of parliament's term and apparent popular dissatisfaction with a new electoral law.

45. Victoria Pope, "In Poland, A Divided Communist Party Debates How to Make Its Ideology Work," The Wall Street Journal, February 1, 1984; and J.B. de Weydenthal, "Poland in 1983," RFER, RAD BR/295 (December 31, 1983), and Polish Situation Report/5 (March 6, 1984).

46. Between 1972 and 1981, Bulgaria appears to have received far higher subsidies on a per capita basis than any other East European country except the GDR—one-third higher than Czechoslovakia, almost twice as Hungary, and four times as high as Poland; Vanous, "East European Economic Slowdown," table 5. For a detailed discussion of Soviet subsidies to the East European economies, see Michael Marrese and Jan Vanous, Implicit Subsidies and Non-Market Benefits in Soviet Trade with Eastern Europe (Berkeley, Calif.: Institute of International Studies, 1982).

47. Wharton Econometric Forecasting Associates [WEFA], "Bulgarian Foreign Trade Performance in 1982," Centrally Planned Economies Current Analysis, vol. 3, no. 25 (April 7, 1983).

48. For a detailed discussion of Bulgarian reform (not to be confused with the older more comprehensive Hungarian "New Economic Mechanism"), see Marvin R. Jackson, "Recent Patterns of Economic Development and Policy in

Bulgaria," in volume 2, pp.

49. RFER, Bulgarian Situation Reports 2 (February 11, 1983), 8 (July 7, 1983), 10 (September 12, 1983), and 12 (October 18, 1983); and "The Role of the Legal Private Sector in the Bulgarian Economy," RAD BR/175 (July 29, 1983).

50. Richard F. Staar, Communist Regimes in Eastern Europe, 4th ed. (Stanford, Calif.: Hoover Institution Press, 1982), pp. 40-41 and 46. Concerning the recent shake-up, see The Economist, January 14, 1984, p. 43; and John Kifner's dispatch in The New York Times, January 25, 1984.

51. RFER, Bulgarian Situation Report/5 (April 18, 1983); and The Economist, May 7, 1983, p. 33-34; and Kifner, loc. cit.

52. Concerning Zhivkova and the continued use of nationalist historical themes in the official press for nearly two years after her death, see RFER, Bulgarian Situation Report/5 (April 18, 1983). The unexplained "resignation" in September 1983 of Politburo member and CC Secretary Alexander Lilov, who was one of the younger members of the Bulgarian leadership (50) and was closely associated with Zhivkova, may signal that a lid is being put on this trend toward greater national and cultural assertiveness, although other developments suggest that the "Lyudmila effect" is still "alive and thriving"; see Patrick Moore, "Bulgaria in 1983," RFER, RAD BR/297 (December 31, 1983), and Bulgarian Situation Report/1 (January 16, 1984).

53. The Economist, November 19, 1983, p. 54; and James M. Markham, "East Europe is Uneasy Over Missiles," The New York Times, December 28, 1983.

54. Vladimir V. Kusin, "Husak's Czechoslovakia and Economic Stagnation," Problems of Communism, vol. 31, no. 3 (May-June 1982), pp. 24-37; and the same author's RFER report, "The Inducement of Economic Depression in Czechoslovakia," RAD BR/66 (March 19, 1982).

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55. Concerning overall economic performance, see: WEFA, "Czechoslovak Economic Performance in 1982 and in the First Quarter of 1983," Centrally Planned Economies Current Analysis, vol. 3, no. 36 (May 17, 1983). See also the following RFER reports: on investment policy and energy problems, Czechoslovak Situation Reports 7 (April 30, 1982), 5 (March 16, 1983), and 11 (June 24, 1983); on agriculture, RFER, Czechoslovak Situation Reports 21 (November 26, 1982) and 17 (October 6, 1983); on the environment, Czechoslovak Situation Report/7 (April 19, 1983) and RAD BR/62 (March 24, 1983); and on consumer woes and inflation, Czechoslovak Situation Reports 3 (February 14, 1983) and 9 (May 19, 1983).

56. Concerning recent developments in economic reform, see: "Who Scorns the Czechoslovak Mini-Reform?" and "What Next in Czechoslovak Economic Reform?" in RFER, Czechoslovak Situation Reports 12 (July 13, 1983) and 15 (August 24, 1983). Concerning the leadership, see Staar, Communist Regimes in Eastern Europe, pp. 78-80; and Vladimir Kusin, "Undercurrents in Prague," RFER, Czechoslovak Situation Report/4 (February 28, 1983).

57. Jaromir Sedlak, "Social Climate," Hospodarske Noviny, no. 47 (November 26, 1982), cited in Kusin, "Undercurrents in Prague."

58. RFER, Czechoslovak Situation Reports 5 (March 16, 1983), 7 (April 19, 1983), 8 (May 9, 1983), 15 (August 24, 1983), 16 (September 13, 1983), and 21 (November 26, 1983), and 2 (February 6, 1984).

59. Markham, "Signs of Religious Renewal"; also RFER, Czechoslovak Situation Reports 8 (May 9, 1983), 11 (June 24, 1983), 12 (July 12, 1983), 18 (October 24, 1983), and 19 (November 17, 1983).

60. Among the issues that the "Charter 77" movement has actively pursued within the past few years are: peace and disarmament (circulating a position paper among delegates to the World Peace Rally in Prague in June); the envi-

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ronmental crisis (drawing up its own position paper); workers' rights (appealing to the ILO over violations); religious persecution (protesting harassment of dissident clergy); rights of the Hungarian minority (publicizing cases of discrimination or harassment); and nuclear power. See RFER, Czechoslovak Situation Reports 5 (March 19, 1983), 7 (April 19, 1983), 11 (June 24, 1983), 12 (July 12, 1983), and 19 (November 17, 1983).

61. Ibid., Czechoslovak Situation Report/17 (October 6, 1983).

62. Vocal expressions of concern over the environmental crisis have come from at least three official organizations: the Economics Institute of the Academy of Sciences, the Czechoslovak Economic Society, and the Czechoslovak Bioclimatic Society. The first mentioned has also presented a critical report on the "fundamental structural" problems in the agricultural and food economy. Ibid., Czechoslovak Situation Reports 7 (April 19, 1983) and 21 (November 26, 1982).

63. Ibid., Czechoslovak Situation Report/18 (October 26, 1983); and The Economist, November 19, 1983, p. 54.

64. Concerning the overall course of GDR-Soviet as well as intra-German relations, see Angela Stent, "Soviet Policy Toward the German Democratic Republic," in Terry, ed. Soviet Policy in Eastern Europe, pp. 33-60.

65. Vanous, "East European Economic Slowdown," p. 3; The Wall Street Journal, January 19, 1984; and Ronald D. Asmus, "The GDR in 1983," RFER, RAD BR/298 (December 31, 1983).

66. Cynthia B. Schultz, "The Energy Dilemma Confronting the GDR," RFER, RAD BR/48 (March 11, 1983); concerning pollution problems in the GDR, see note 22 above, and Anna Tomforde, "The acid rain forests of West Germany," The Boston Globe, December 24, 1983. According to the last, environmental specialists believe that a significant percentage of West Germany's acid



rain problem comes from the burning of brown coal in East Germany.

67. Asmus, "The GDR in 1983," pp. 7-8; and Holmes, "Problems of 'Developed Socialism' in the GDR," pp. 4-7.

68. Holmes, "Problems of 'Developed Socialism'," pp. 7-13; Markham, "Signs of Religious Renewal," also his "In Militaristic East Germany, the Pacifists Mobilize," The New York Times, November 28, 1983; Asmus, "The GDR in 1983," pp. 1-5; also Asmus's other RFER reports: "East German Church Issues a New Document on Peace and Security," RAD BR/117 (May 20, 1983), and "Is There a 'Peace Movement' in Eastern Europe?" RAD BR/213 (September 2, 1983).

69. The Economist, November 12, 1983, p. 58; and the following reports in RFER by Ronald D. Asmus: "Opening of Luther Celebrations in the GDR," RAD BR/100 (May 9, 1983), "Honecker on Luther Year Celebrations," RAD BR/248 (October 21, 1983), and "Neues Deutschland Prints Dissenting Views on Arms Control," RAD BR/254 (October 31, 1983).

70.. See, e.g., Markham, "East Europe Uneasy Over Missiles"; Asmus, "The GDR in 1983," pp. 7-8 (on Abrasimov's recall and the defense budget); and The Economist, May 7, 1983, pp. 33-34 (on CMEA). Concerning intra-German relations, especially efforts to maintain cooperation despite strains in East-West relations, see: Frederick Kempe, "The Two Germanys Build a Relationship in Spite of U.S.-Soviet Strains" and Roger Thurow, "Bonn Loan Pulls Two Germanys Closer Together," The Wall Street Journal, September 16 and 19, 1983; and James M. Markham, "East Germany Tries Accommodation," The New York Times, February 1, 1984.

71. Staar, Communist Regimes in Eastern Europe, pp. 106-107; and RFER, "East European Leadership List," September 12, 1983.

72. Vanous, "East European Economic Slowdown," pp. 4-5; WEFA, "Hungarian

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Economic Performance in 1982 and During the First Half of 1983," Centrally Planned Economies Current Analysis, vol. 4, nos. 67/68 (September 2, 1983); and William F. Robinson, "Hungary in 1983," RFER, RAD BR/299 (December 31, 1983), pp. 1-3. According to Shlaes ("U.S. Banks Looking to Lend Again"), the Hungarian economy grew by a mere 0 to 0.5 percent in 1983.

73. For a comparison of Kádár's leadership style and strategy with Gier-ek's in Poland, see Sarah M. Terry and Andrzej Korbonski, "The Impact of External Economic Disturbances on the Internal Politics of Eastern Europe: The Polish and Hungarian Cases," in The Impact of International Economic Disturbances on the Soviet Union and Eastern Europe: Transmission and Response, Egon Neuberger and Laura D'Andrea Tyson, eds. (New York: Pergamon, 1980), pp. 375-408. Concerning the muted character of Hungarian dissent in the 1970s, see George Schöpflin, "Opposition and Para-Opposition: Critical Currents in Hungary, 1968-78," in Opposition in Eastern Europe, Rudolf L. Tokes, ed. (Baltimore: Johns Hopkins University Press, 1979), pp. 142-86.

74. See, e.g., the following Hungarian Situation Reports from RFER: 12 (August 30, 1983), on the independent peace movement; 13 (September 19, 1983), on church-state relations and growing church activism; and 3 (February 8, 1983) and RAD BR/111 (May 17, 1983), on intellectual dissent. On the national question, see RFER, Czechoslovak Situation Report/5 (March 16, 1983); on the whole range of issues including opposition to Kádár's policies within the HSWP, see Robinson, "Hungary in 1983," and Tokes, "Reform or Movement," pp. 24-28.

75. Concerning the crackdown on various forms of dissent, see the sources cited in the previous note; also John Kifner, "Hungary Cracks Down on Dissident Groups," The New York Times, November 20, 1983; and RFER, Hungarian Report/1 (January 12, 1984). Concerning ongoing reform efforts, see

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note 28 above; also "Into Entrepreneurial Socialism: A Spectre is Stalking Hungary," The Economist, March 19, 1983, pp. 23-31; and Alfred Reisch, "The Illusion and Reality of "Independent" Trade Unions," RFER, RAD BR/276 (December 21, 1983).

76. Staar, Communist Regimes in Eastern Europe, pp. 136 and 140-41. On the man and his political legacy, see the following RFER reports on the occasion of Kadar's 70th birthday in May 1982: William F. Robinson, "Kadarism —Is it Here to Stay?" RAD BR/122 (May 25, 1982), and Carlo Kovats, "Janos Kádár: The Man and the Politician on his Seventieth Birthday," RAD BR/123 (May 25, 1982).

77. On Kádár's visit to the Soviet Union, see Alfred Reisch, "Kádár Policies Get Seal of Approval from New Soviet Leadership?" RFER, RAD BR/195 (August 11, 1983). On CMEA and oil: The Economist, May 7, 1983, pp. 33-34; and Amity Shlaes, "Soviet Bloc Squabbles at Recent Parley Show Divisions Over Moscow's Oil Policy," The Wall Street Journal, November 23, 1983. On recent developments in relations with the West: Robinson, "Hungary in 1983," p. 10; The Economist, February 11, 1984, pp. 45-46; and RFER, Hungarian Situation Report/1 (January 12, 1984).

78. WEFA, "Review of the Second Romanian Economic Memorandum to Western Banks—Part I: General Remarks and the Balance-of-Payments and Debt Developments," Centrally Planned Economies Current Analysis, vol. 3, no. 22 (March 29, 1983).

79. See, e.g., *ibid.*; John P. Hardt, "Soviet Energy Policy in Eastern Europe," in Terry, ed., Soviet Policy in Eastern Europe, p. 217; and RFER, Romanian Situation Report/17 (October 10, 1983). In particular, projections for increases in coal extraction are wholly unrealistic; 1983 production was probably on the order of 43 million metric tons (MMT), slightly below the

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1982 goal and far short of the 60 MMT target originally set for 1983; attainment of the 1985 goal of 87 MMT would require annual increases in excess of 40%. Similarly, efforts to reduce crude oil imports from 16 MMT in 1980 and 10.9 MMT in 1982 to 1.5 MMT in 1983 were only partially successful; preliminary estimates indicate 1983 imports of about 6 MMT; RFER, Romanian Situation Report/20 (December 31, 1983), p. 21.

80. Concerning cuts in investment, see RFER, RAD BR/54 (March 15, 1983). Concerning agriculture, RFER, Romanian Situation Reports 13 (July 28, 1983), 18 (October 27, 1983), and 20 (December 31, 1983), p. 19; and The Economist, February 11, 1984, p. 46.

81. Concerning the Ceaușescu regime's denials of blame, see WEFA, "Review of the Second Romanian Memorandum--Pt. I"; and RFER, Romanian Situation Report/20 (December 31, 1983), pp. 25-27. For a fairly candid discussion of the ineffectiveness of the Romanian "New Economic Mechanism," formally introduced in 1978, see the report of a roundtable organized by Era Socialista (no. 5, March 10, 1983) in RFER, Romanian Situation Report 14 (August 16, 1983). Concerning cuts in social services, especially the recent introduction of a two-tier health-care system, see *ibid.*, Romanian Situation Report/18 (October 27, 1983); on changes in accessibility of higher education, see note 23 above. Concerning the September 1983 change in wage policy, see *ibid.*, Romanian Situation Report/17 (October 10, 1983); and The Economist, September 17, 1983, p. 60.

82. See, e.g., The Economist, May 7, 1983, pp. 33-34; Shlaes, "Soviet Bloc Squabbles." According to The Economist (February 11, 1984, p. 46), Moscow agreed in early February 1984 to provide Bucharest with 1.5 MMT of oil on the same barter terms as it sells oil to other the East European countries, not as much as Romania wanted but perhaps enough influence Roma-

nian behavior.

83. RFER, Romanian Situation Report/20 (December 31, 1983), p. 19.

84. See Mary Ellen Fischer, "Nicolae Ceausescu and the Romanian Political Leadership: Nationalization and Personalization of Power," the Edwin M. Moseley Faculty Research Lecture, 1982 (Saratoga Springs, NY: Skidmore College, 1983), pp. 40-46. Concerning Ceausescu's success in minimizing elite opposition to his policies, especially his practice of "rotating cadres," see Robert R. King, History of the Romanian Communist Party (Stanford, CA.: Hoover Institution Press, 1980), pp. 94-97.

85. Vanous, "East European Economic Slowdown."

86. The Economist, May 7, 1983, pp. 33-34. For other reports on preparations for the summit, see John F. Burns, "Deep Strains in Comecon," The New York Times, May 10, 1983; and RFER, Czechoslovak Situation Reports 7 (April 19, 1983) and 9 (May 19, 1983).