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# The Soviet Farm Manager as an Entrepreneur

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# THE SOVIET FARM MANAGER AS AN ENTREPRENEUR[1]

> [Lenin]...taught how to combine 'the democracy of the toiling masses with iron discipline during working time and unconditional obedience to the will of a single individual, the Soviet leader, during time of work.'[2]

In this study we will attempt to examine the farm manager[3] in his entrepreneurial capacity and determine the degree to which he functions as an organizer, and manager, and to which he assumes risk.

## Soviet Farms, Then and Now

Although space limitations do not allow more than a cursory look at the essential elements of a Soviet farm, a brief discussion of some of the basics is required in order to put entrepreneurship in the countryside in perspective. Whereas in the beginning there were very few sovkhozy, and the average kolkhoz, created on the basis of the old villages, probably encompassed a score or two households, by 1940 both types of farms had grown significantly larger, their numbers including 235,500 kolkhozy (excluding fishing collectives) and 4,200 sovkhozy. Starting in the 1950s, under Khrushchev's leadership, the amalgamation drive resulted in a dual transformation of the countryside. As summarized in Table 1, the kolkhozy were greatly reduced in number (with a more than five-fold increase in size) and with the simultaneous transformation of many of the "weaker" kolkhozy into sovkhozy (plus the opening up of the "virgin lands" to gigantic grain-growing state farms), the sovkhozy grew in both size and number. Thus, whereas by 1976 the sovkhozy numbered 19,617, there were then only 27,300 kolkhozy.

Table 1

Some Kolkhozy and Sovkhozy Averages*

| | 1940 | 1960 | 1976 |
|---|---|---|---|
| KOLKHOZY | | | |
| Total number | 235,500 | 44,900 | 27,300 |
| Per Farm | | | |
| Workers | 110 | 445 | 542 |
| Specialists | --- | 4.9 | 20 |
| Sown Area (hectares) | 500 | 2,746 | 3,597 |
| Head of livestock (cattle, hogs, sheep, and goats) | 297 | 3,031 | 4,509 |
| Tractors | 4.4 | 14.4 | 39 |
| Value of production (Million rubles/yr.) | --- | --- | 1.7 |
| SOVKHOZY | | | |
| Total number | 4,200 | 7,400 | 19,617 |
| Per Farm | | | |
| Workers | 381 | 783 | 559 |
| Specialists | --- | 22 | 33.6 |
| Sown area | 2,750 | 9,081 | 5,680 |
| Head of livestock | 3,033 | 10,279 | 6,171 |
| Tractors | 20 | 54 | 57 |
| Value of production | --- | 1.6 | 2.0 |

*Narodnoe khozyaistvo SSSR v 1961, Narodnoe khozyaistvo SSSR za 60 let, 1977, Sel'skoe khozyaistvo, 1960 and 1971.

Theoretically, the kolkhozy are collectives. All land in the USSR is state owned, but the land in the kolkhoz is said to be in charge of the farm members in perpetuity--that is unless a decision is taken to transform a collective into a sovkhoz. The organizational form is dictated by the so-called Model Charter, first issued in 1935 and updated in 1969. Although euphemistically named, that document is the basic law for all kolkhozy. A major provision in that document is that all important on-farm decisions including the "election" of a chairman, are to be taken by vote in periodic general meetings of the membership. In fact, however, published accounts of proceedings make abundantly clear that (with the rarest of exceptions) the general meetings are not decision-making bodies. They are educating, indoctrinating, legitimizing institutions where the farm members learn of plans and decisions already set in cement. Votes are taken, but as in Soviet elections, virtually all the results are a foregone conclusion.

New kolkhoz chairmen are voted on, but with the exception of a time of relaxed outside controls during World War II, rarely has the nominee come from inside the farm. Indeed, the record indicates that the vast majority of such candidates are total strangers to the farm membership. Although rayon party officials may engineer the elections, they select farm chairmen from the oblast party unit's nomenklatura (appointment list).

Not only does the chairman have the final word in all on-farm decisions not predetermined by outside controls--e.g., state delivery requirements will determine the number of hectares to be planted in grain, but the chairman dictates which portion of the land will be sown to which crop, and who among the membership will cultivate it--but he controls the

lives of the farm members as thoroughly and completely as the commander determines the affairs of those who live on a military post.

As shown in Table 1, the average farm has more than a score of specialists, plus others such as brigade leaders, who comprise the managerial and technical staff. All serve at the chairman's pleasure, with the possible exception of the farm party secretary who, as in all Soviet enterprises and institutions, usually is the second most powerful person on the farm. A select number of such individuals will comprise the management board. In addition to the chairman, most such boards include a vice-chairman, chief accountant, a head agronomist, head zootechnician, and the inevitable party secretary. Since virtually all chairmen and directors are now party members, the evidence suggests that on most farms the party secretaries work closely with the managers, subjecting their actions to his direction.

Prior to the amalgamation of the smaller farms into today's huge enterprises, which occurred in the 1950s, most of the kolkhozy did not have a party-member chairman or party units. This, along with the universal adoption of a guaranteed minimum wage for the kolkhozniki, inaugurated in the 1960s, served to remove most of the important differences between the kolkhozy and sovkhozy. As low-level state bureaucrats, the sovkhoz directors always had been under the tight discipline of Moscow. As state employees, sovkhoz workers always received their wages, regardless of the success or failure of a crop. Today, although different methods may be employed (e.g., kolkhozy contribute to a crop insurance scheme, which assures that the kolkhozniki will receive their guaranteed wage), for all

practical purposes the kolkhozy are as tightly held by outside controls as are the sovkhozy, and today's kolkhoznik is as much a hired hand as is his sovkhoz counterpart, even though the average sovkhoz worker's annual income remains higher than that earned by the worker on the kolkhoz fields.

In the formative years and during the relaxed controls of World War II, many chairmen acted in a spirit of considerable independence. Some, but far from all, performed in ways that they felt would best serve the farm members. Today most of that independence has gone by the wayside, as administrative boards demand an accounting and threaten the manager with dismissal if standards are not met.

Outside Chairmen

As documented in Table 1, until recently, the kolkhozy dominated the rural scene. In the beginning, farms were created on the base of the former villages. Most chairmen were selected from among the membership, even though they lacked the talent to survive under the demands of the time. Almost from the beginning the central authorities' insatiable quest for maximum controls, rooted in political, ideological, and economic considerations led to an increasing practice of imposing outside chairmen on the farms. Moreover, a major cost of forced collectivization made the practice imperative in most cases. Raskulachivanie (destruction of the kulak class) had removed the best of the nation's farmers from the land.

Whether the sons of better-off farmers inherit superior intelligence, receive better training, or are given economic advantages (surely a combination of all three is at work in most instances), as can be seen the world over, the best farmers tend to be sons of men who, in their

day, were the best farmers in a region. Stalin's decision to eliminate the kulaks worked so successfully, that even today some of the shortcomings of Soviet agriculture may be linked to the human tragedy of the early 1930s. In this judgment, we go even beyond the time limit suggested by Lazar Volin who observed:

> One...point cannot be stated too often: with the large number of the best farmers driven off the land or exterminated, the result of dekulakization, the qualitative depletion of human resources was bound to impair the productive capacity of Russian agriculture, at least temporarily...[Thus] the Kremlin had to rely on nonfarmers,...or on mediocre farmers for leadership in the kolkhozes.[4]

In L.E. Hubbard's accounting: "Probably not less than five million peasants including families, were deported to Siberia and the Far North, and of these it is estimated that 25 percent perished."[5] Elimination of the kulaks involved a deliberate removal from the land of those most capable of entrepreneurial activity. Nor did the drive end there. The new farm managers were desperate for help, at least someone who could read, write, and do simple accounting. Many, perhaps most, of the talent the managers recruited were "former kulaks and children of kulaks, merchants, and priests" who came to be major targets of the "mounting purge hysteria" regardless of how sorely needed their skills were.[6]

Imposition of outside chairmen became an imperative of the regime. More often than not they were urban agricultural illiterates. The practice continues to the present, although most of the chairmen of the 1970s do have some training in agricultural pursuits. The record implies that in

most years hundreds of urban leaders (predominantly party members) have been sent to take over the farms.

> In 1929 25,000 city workers were sent to act as chairmen and rural functionaries.[7]
>
> In 1933 18,000 city politdels were sent to the MTS and sovkhozy.[8]
>
> In the early 1950s a total of 32,078 outsiders were sent to be farm chairmen.[9]

If more than one in ten U.S. farms were to experience a change in management every year, rural America would be seen as in a state of chaos. Yet, as of early in the 1970s, more than that number of kolkhoz chairmen were in their jobs for less than a year. Fortunately, the recent rate of turnover is much lower than it was in earlier decades. (See Table 2).

Table 2

TENURE OF KOLKHOZ CHAIRMEN
(Percent)

| | Less than 1 year | 1 - 3 years | 3 years and more |
|---|---|---|---|
| 1934 | 30 | -- | -- |
| 1938 | 54 | -- | -- |
| 1939 | 48 | -- | -- |
| 1946 | 41 | -- | -- |
| 1953 | 23.8 | 35.6 | 40.6 |
| 1956 | 29.7 | 33.9 | 36.4 |
| 1959 | 4.6 | 38.9 | 56.5 |
| 1965 | 14 | 28 | 58 |
| 1971 | 13 | 21 | 66 |

*Jerry F. Hough, "The Changing Nature of the Kolkhoz Chairman," in James R. Millar (Ed.), The Soviet Rural Community, University of Illinois Press, 1971, pp. 103-120, Naum Jasny, The Socialized Agriculture of the USSR, Stanford University Press, 1949, p. 334, and Sel'skoe khozyaistvo, 1960 and 1971.

Powerful Rural Bureaucrats

AS AN ORGANIZER: Not since the collectivization drive of the 1930s has any Soviet rural leader had the opportunity to organize a farm in the sense of building a new enterprise according to his vision. All soviet farms exist at the behest of the party-state leadership.

As noted earlier, the Model Charter is the basic law for all kolkhozy; however, it is supplemented by a continuing flood of Moscow-initiated laws and administrative orders. According to the Charter, the farm chairman is elected to a three-year term (with the right of recall) by a general meeting of collective farmers. His function is spelled out in one sentence: "The chairman of the collective farm exercises day-to-day direction over the collective farm's activity, ensures the fulfillment of the decisions of the general meeting and the board, and represents the collective farm in its relations with state agencies and other institutions and organizations."[10] In practice, of course, the name of each prospective farm chairman is presented to the general meeting for their approval which, except in the most extraordinary cases, is dutifully given.

Such pretense to the democratic process is not necessary in the Sovkhoz where the director is appointed (and dismissed) by the trust, association, or combine to which the state farm is subordinated.[11] His assignment is virtually the same as that of the kolkhoz chairman. "[He]organizes all the work of the state farm, represents it in all institutions and organizations, handles, in accordance with the law, the property and resources of the enterprise, concludes contracts, issues powers of attorney, opens accounts in the bank and, within the bounds of

his competence, issues orders, hires and dismisses personnel, rewards and reprimands the workers."[12]

Thus the farm manager is not in an enviable position as an organizer. Having had no control whatsoever over the initial organization of his farm, he is then assigned full responsibility for organizing the work within an already prescribed production labor plan and structure from which he may not deviate without special permission from above.

Since the early 1970s, however, an organizational opportunity seems to have been offered to farm managers; this is in the development of subsidiary enterprises within the public sector. Frequent articles in the Soviet press have pointed to this method of increasing farm income and improving labor and raw material utilization. Taking advantage of newly available bank loans for the purpose, farm managers, on their own initiative and through the encouragement of their staffs, have organized thousands of these subsidiary enterprises including canneries, flourmills, wineries, creameries, folk-art shops, carpentry and wood-working shops, sawmills, brick, tile, concrete and asphalt plants, quarries, and slaughter houses.[13] Needless to say, the manager must have permission from his superiors to attempt such an undertaking, and the project must fit within the guidelines established.

AS A MANAGER: Both the kolkhozy and the sovkhozy are operated on the basis of one-man control, but presumably on democratic principles. The kolkhoz chairman, for example, functions as chairman of the kolkhoz board, theoretically making joint decisions on the basis of orders from the general meeting of the kolkhoz membership. In practice, however, most of

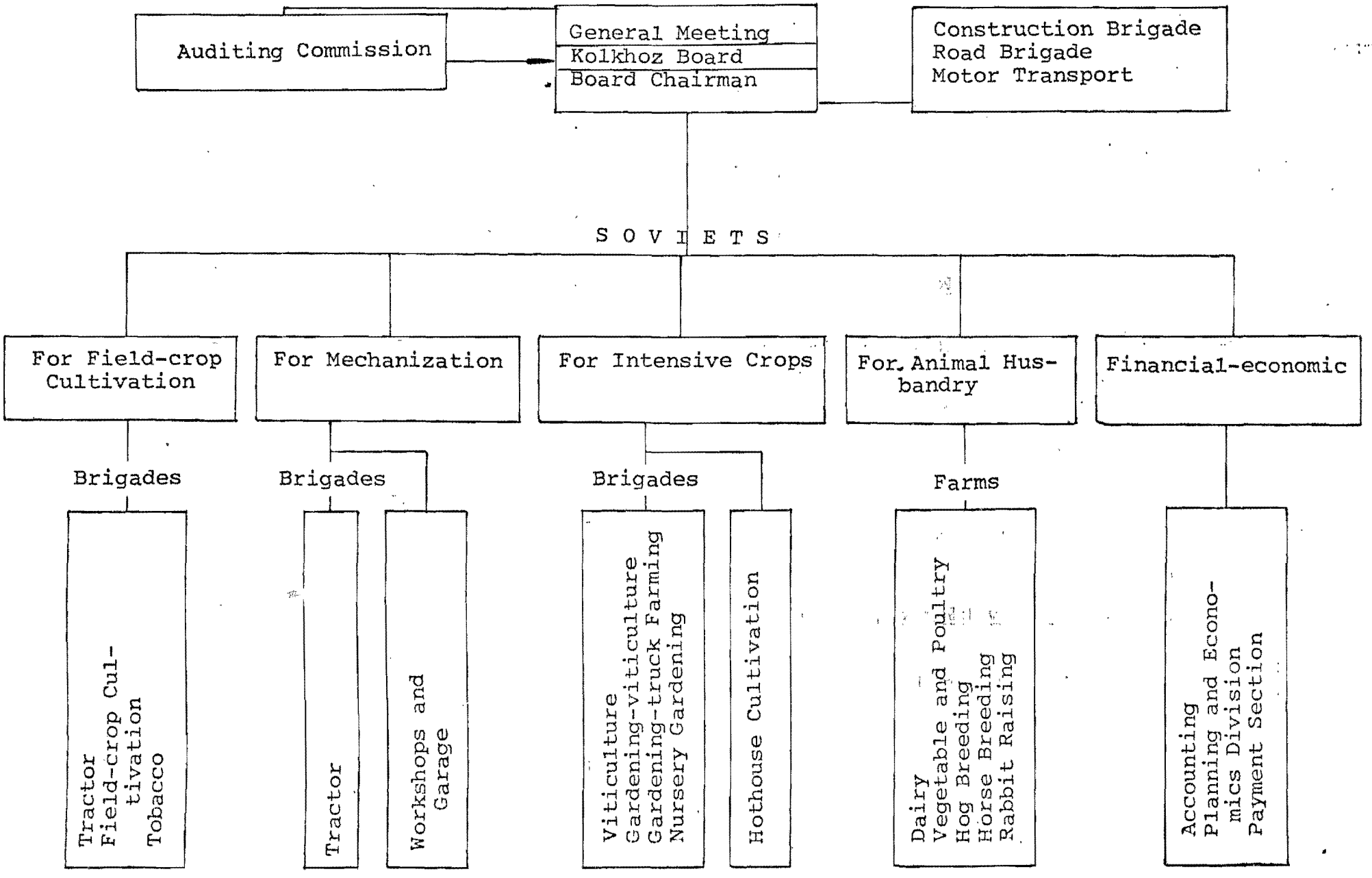
the kolkhoz chairmen exercise virtually dictatorial powers, overruling board members and presenting decisions already made to the general meeting of the membership for rubber stamping. Since general meetings need not be called more than four times a year, they do not present much of a problem for a determined chairman. Furthermore, if the farm membership is so large as to preclude the gathering of all members in a single room at one time, (and it often is) the general meeting may be constituted of elected representatives, offering another opportunity for the chairman to stack the deck in his favor. A description and schematic diagram (see Figure 1) of the kolkhoz management structure--first established in the 1930s-40s--are provided us by Candidate of Economic Sciences M. Dariy

> The production structure of kolkhoz management and the organizational structure conformable to it lead to the predominance of the linear-staff type of management based on a combination of linear management on the part of the line supervisors (chairmen and brigade leaders) and functional management of the part of the agricultural specialists (agronomists, zootechnicians, etc.). This basically insured adherence to the principle of one-man control, unity of supervision, and subordination of all the workers (through a linear management apparatus) directly to one person--the kolkhoz chairman in conjunction with a collective leadership--in making decisions at board sessions and general meetings of the kolkhoz farmers. This was accompanied by the exercise of simultaneous functional management on the part of the various agricultural specialists.[14]

Dariy suggests that the old form of management is outmoded and generally should be replaced by a model that would reduce considerably the number of persons dirctly subordinate to the kolkhoz chairman. His argument is that under the present system the chairman is compelled to

Figure 1

Schematic Diagram of Kolkhoz Management*




*M. Dariy, "Improving Kolkhoz Production Management," Kommunist Moldavii, no, 4, April 1973, p.60.

resolve a myriad of current, minor production problems which could as well be solved by subordinates, thus relieving him of an excessive workload which distracts his attention from major, long-range problems, the solutions of which affect the entire farm. Dariy's concern reflects the fact that most chairmen apparently are reluctant to release control of any facet of the kolkhoz down to the most minute detail. Clearly there are some kolkhozy operating under a more democratic system, depending partly on the personality and philosophy of the chairman involved, but in general, the kolkhoz chairmen remain enormously powerful bureaucrats, administrators who are, from the average peasant worker's point of view, virtually as powerful as the tsarist landlords. Manipulating the rubber stamp of the general meeting so as to legitimize his actions, a chairman can even have a kolkhoznik expelled from the farm. Indeed, according to former chairman Fedor Belov, at least as late as 1948, such explusion could include banishment to Siberia for several years.

Whatever the kolkhozniki may think of their bosses in private, publicly they treat the managers with awe, often literally approaching them with hat in hand. Other observers of the Soviet rural scene have made similar points. According to Jan and Arthur Adams:

> Like the pomeshchiki (landowners) of old the collective farm chairmen and state farm directors are in almost total social and organizational control over their farms and the people in them.[15]

Certainly the sovkhoz director is no more democratic than the kolkhoz chairman if as much so. Indeed, the director does not even have a sovkhoz board with which to consult. Theoretically, he makes a collective

agreement with the local trade-union committee as representative of the workers which establishes rules, bonuses, incentive funds, and awards, and distributes living space. General membership and trade-union meetings are supposed to promote discussion and generate input, but, again, their major function is to approve the director's recommendations. The sovkhoz director also keeps in his hands the strings to every operation of the farm. One director with whom we visited during a trip to the USSR in 1970 was especially delighted with the farm's new telephone communications network enabling him to know at all times how every sector was functioning. Finally, although the director does not hire and fire the main specialists on his sovkhoz, the superior agency which does usually acts on the director's recommmendations. Like his counterpart on the kolkhoz, the sovkhoz director generally guards his powers jealously, and from our limited observations, revels in his little-ceasar role.

> Spying the director, the old muzhik halted abruptly, jerked off his hat and held it to his chest, bowing with the short repeated jerks of a humble peasant of imperial times.
>
> The director <u>was</u> the farm.[16]

AS THE ONE WHO ASSUMES RISK: As documented below, at least in the past, being a farm manager was to place oneself in an extremely high-risk position. Indeed, the evidence is that for many years the average tenure in office of farm managers was only some two years. From the 1930s to the present the first remedy for a farm with serious problems has been to replace the manager in command. True, not all were destined to sink into oblivion, since over the years numerous complaints have been made in the

press concerning managers who were fired as the head of one farm turning up later as manager of another farm in trouble, or in some other responsible position. For example, Kolkhoz Chairman Juozas Minkauskas was fined by the People's Court in 1974 for embezzlement of kolkhoz funds, and although he was not reelected as chairman, two years later he was head bookkeeper of the same kolkhoz.[17]

Obviously, however, the risks of the profession are high in terms of career security for the individuals involved. Moreover, as Professor Hough has suggested, what is known of biographies of kolkhoz chairman leads to a conclusion that such jobs hardly are stepping stones to higher office for an ambitious Soviet citizen.[18]

On the other hand, with the exception of land lost to urban and industrial expansion, no matter how poor the performance, Soviet farms never die--although many have been absorbed into larger units. Unlike earlier times when many, perhaps in some years most, kolkhozy paid no money income to the workers--a key price of Stalin's use of the countryside to subsidize industrial growth--today's farms are heavily subsidized. According to the official in charge of setting all the prices in the USSR, the subsidy rate reached a staggering 22 billion rubles annually in 1978.[19] At the worst, an ailing kolkhoz is transformed into a sovkhoz. No Soviet authority has ever repudiated the oft-repeated claim that the sovkhoz is the ultimate, highest agricultural form. For such reasons there is no more risk involved in the survival of a farm than there is to the continued existence of a key munitions plant. Indeed, there is less, since

technology can eliminate some kinds of manufacturing, while the need for food will remain as long as there are people to eat it.

Innovation, Reward, and Punishment

Beyond money income, some three times that of the average kolkhoz workers, the perquisites and windfalls of Soviet farm managers must mean that their standard of living is surpassed by only a few of the top Moscow elite. The nature of the job demands that cars, trucks, and drivers be constantly at their call. Certainly, samples of the best of all the food grown on the farm find their way into the boss's kitchen. For at least those fortunate enough to manage successful farms that attract visiting delegations, such chairmen must have no bill for spirits. The state repays the farms for playing host and, as we have observed on several occasions, in spite of gargantuan efforts on the part of the hosts and guests, vodka and wine are left over after such confrontations. Managers in similar situations the world over live high off the hog. Moreover, managers in such positions of power as Soviet farm managers are confronted constantly with the temptation to take even more.

Thus we read of a kolkhoz chairman who requisitioned for his own use some 11,000 rubles out of 32,000 reserved for prize money for his kolkhozniki. He lessened the chances of being caught by directing some of those funds into the pockets of his specialists.[20] Or a recent example of a manager whose farm operated at a 300,000 ruble loss, in spite of which he assigned himself a 900 ruble bonus.[21]

Most cases that we read about of cheating by the farm managers, however, seem to be for the general welfare of the farm rather than to

increase the personal wealth of the leader, although the two are tied inextricably together. Indeed, there may be nowhere else in the world where farm managers in general face as great a need to break the rules just to avoid failure as in the Soviet Union. As in Soviet industry, Soviet farm managers who may avoid cheating for personal gain are forced to employ tolkach (an expediter) and blat (the practice of manipulation) in order to keep an enterprise going. For example, with the chronic shortage of fertilizer, if a farm manager can arrange for a shipment of fertilizer destined for another farm to be diverted to his own, he may be able to increase his yield enough to meet plan.[22] Or if he can negotiate on the side with a construction brigade to acquire their off-schedule services for constructing a sorely needed storage bin, he may save a large portion of the farm's grain from rotting on the ground.[23] Or if he supplies speculators with fruit or vegetables from an overabundance that is spoiling for lack of transportation to the city, he can increase the farm's income and transfer the badly-needed produce to the consumer as well.[24]

Making a profit is important. Guaranteed minimum wages exist. However, for the kolkhozniki, and especially the managers, receipt of bonuses can mean the difference between just getting by, and having a life with some comforts. Bonuses are dependent primarily upon fulfilling and over-fulfilling plan. Plan is the most important of all economic indicators. Other infractions of the rules can be overlooked, or result in minor reprimand or punishment, but failure to meet plan without the best of excuses will result in the sacking of a manager. Surely, there is a strong

correlation (at least in recent years) between the rate of turnover of farm managers and the number of farms that fail to meet plan.

Without a marke place from which to purchase crucial equipment and supplies (each year the papers are full of complaints about shortages of spare parts to keep the machines going), most managers would be faced with some kind of annual input catastrophe if they did not engage in extra-legal maneuvers to avoid disaster. Every successful manager must have an uninventoried horde of chains, tractor generators, spark plugs, wheel bearings, and other items in anticipation of breakdowns at such times as the harvest, when normal supply channels are even less reliable than usual.

This is hardly a new concept. For centuries the peasant, who knew that wagon wheels and axles wear out faster than the wagon box, prepared himself for winter by laying in a supply of axles. One kolkhoz chairman who found himself in a difficult situation with a shortage of tractor parts during harvest was advised by an old mechanic to search the lofts of houses formerly belonging to tractor drivers who had left the farm. There, sure enough, the chairman found the needed parts.[25] During calving, if a storm were to destroy livestock sheds, a barrel of nails to make instantly needed repairs could save the day. Managers who survive must not only have anticipated their needs, but in case they have failed to horde the right thing, or in the right quantity, they must have connections with neighboring farms and enterprises where a needed load of lumber can be obtained for a few hams or a quantity of left-over paint.

Such outside-of-plan activity is illegal in the USSR, but since most officials realize that without the lubrication that makes the system work

(tolkach and blat), production would grind to a halt, they look the other way, at least until the sweetener in such transactions grows to a point that individuals become rich as a result. Serious violations of the economic rules can result in serious consequences for those involved. Nevertheless, the impression is that major infraction of the law is frequent. For example, in recent years more than one report has told of one means used by managers to assure meeting state purchase plans. Livestock produce is deliberately sold below cost in state stores. Thus, if a manager knows he will not be able to deliver his farm's butter quota, he can arrange to have enough butter purchased from state stores to add to the farm's output to the point that plan is fulfilled. There are, of course, many ways to skin a cat. As noted in Pravda, April 24, 1978, in an article dealing with problems on the collective and state farms in Tula oblast, "there are still plenty of people who are fond of claiming nonexisting achievements and padding when it comes to writing reports."

There are, fortunately, a number of entirely legal directions that innovative management can take. A manager may wish to set up a machine repair shop on the farm rather than relying on the rayon repair shop or a neighbor for major alterations.[26] Again, however, many of the parts necessary for the shop likely will come from illegal sources. Some managers encourage their workers to invent and construct labor- or time-saving devices that can enhance production. (Examples include loading and unloading equipment, potato bins for temporary storage and loading, and hay scalding apparatus.)

One kolkhoz chairman, A. Buznitskiy from Kievskaya Oblast, believes that innovative farm management not only is possible, but is no less important than capital investment to the success of the farm. He proved his point by noting that on his farm, spreading chemical fertilizer by airplane, the "modern method," resulted in uneven spreading, with heavy coverage in some areas and nothing at all in others. Retaining his sense of humor in spite of adversity, he explained:

> The wind rises, covering with fertilizer a cow barn or a settlement, which does not benefit either the cows or the people. The wind may also take the fertilizer into your neighbors' field. Yet, it is not your neighbor who paid for the airplane...or worse a higher wind will take the fertilizer to the upper atmospheric strata, on the edge of outer space. We believe it premature to apply fertilizer to outer space...[27]

Buznitskiy and his staff reequipped a sowing machine and began applying their fertilizer directly to the roots of their crops, thereby increasing their yield as much as ten quintals. His innovation was regarded with considerable suspicion by his superiors and by agricultural scientists who maintained it was untested. Only with repeated successes and frequent pleading of his case did he gain acceptance of his "doubtful" improvement; and then only by other farms whose managers apparently were more immaginative than the scientists whom Buznitskiy was trying to convince.[28]

Unfortunately, farm managers are frustrated at every turn by pressures and restrictions from above. In spite of an attempt in 1965 to grant the individual farm greater autonomy, what the right hand giveth the left hand taketh away. Victor Perevedentsev, the well-known Soviet

sociologist who writes on farm problems, reported a chairman's complaint, common among farm managers.

> "I do not see any special distinction between the present and the former systems...Formerly the number of hectares to be planted to wheat was planned for us, while now we are told how much wheat we are to deliver. It is six of one and half a dozen of the other."[29]

As late as 1976 an agronomist reported,

> "We don't enter any figures into the industrial-financial plan on our own, we go to the administration office and there we are told what crops to grow and how much should be sown..."[30]

In his farm's particular case, this meant that in spite of urgent need for careful clean-fallow practices, the farm was forced to grow crops on virtually every hectare resulting in a steady and accelerating annual decrease in yields. Waving her hands in despair, another agronomist complained of other bad cropping practices forced on her farm by the administrative office resulting in no rest time for the soil between summer harvest and fall planting.[31]

Chairman Buznitskiy protested such interference in his article:

> It is known in the Ukraine that by the end of August the telephones begin to ring "from the top to the bottom:" "undertake the harvesting of sugar beets! Undertake!...Undertake!..." Yet, undertaking the harvest at that time is impossible. Beets are harvested precisely when they have reached their full weight and sugar content: this is the "peak." Give beets another 20 days to "fatten up," and the country would receive additionally thousands of tons of sugar and the kolkhozes would earn additionally thousands of rubles. Yet, the telephones keep ringing: "undertake!..."[32]

Such strict supervision from above and frequent interference with farm activities greatly restricts the manager's ability to function in a managerial capacity and must exert considerable negative influence on any innovative potential. Some managers, like Buznitskiy, simply ignore minor instructions, preferring to risk the consequences of insubordination, but a manager bold enough to ignore plan and major directives will not be a manager for long.

Unfortunately, legal innovation often times is difficult to initiate not only because of reluctant superiors, but because of the dearth of equipment and parts that may be needed to put the new concept into effect. This, however, is only the beginning of the story. Farm machinery of all kinds is in short supply. Further, since parts that are available often have been stolen from machinery in transit, new trucks, tractors, combines, etc. often arrive unable to operate or, indeed, even to be driven to the farm from the railroad station. Much of the equipment is outdated or faulty to begin with. Grain combines, for example, are famous for their leaks through which many centners of small grain are lost back into the field as is virtually all the chaff, which could otherwise be used in feed mixes.[33] A conscientious farm manager will order his machinists to plug the leaks as well as they can to save the grain, but the chaff is probably a total loss.

Add to the manager's headaches the appalling road and transportation problem and a score of other obstacles set in the path of production, and one wonders what kind of man would undertake such an impossible managerial position.

Who Are the Farm Managers?

One Soviet writer suggests:

> The management of modern agriculture is complicated. Solid preparation is required on the part of the kolkhoz chairman or sovkhoz director: he must know the fundamentals of agriculture and cattle-breeding, he must be well versed in economics, construction and engineering, he must have a knowledge of jurisprudence and law, and finally, he must be a fairly good sociologist. And what is most important, he must have a keen sense for that which is new...[34]

A later source tells us that the farm manager must be more than this, that,

> As a trainer and organizer he must unite the collective and bring about a striving on the part of each worker to labor in a selfless and creative manner. He must skillfully utilize incentive measures and punishment measures and he must create a circumstance of mutual trust and a general striving to achieve the established goal.[35]

One author, a Ukrainian party official, believes that a good manager should instill "party style" into this managing.[36] Although he does not explain how this is to be done, we suspect that he would agree with a Kazakh party secretary who writes,

> Some managers, for example, do not go deeply into questions of party theory and policy and certain comrades have only a superficial knowledge of the most important CPSU documents.

Fortunately, to his way of thinking,

> Daily political and educational work has become an integral part of the activity of many of our managers...[who] are also propagandists who regularly give lectures and reports to workers.[37]

Several authors point out that a good manager should be able to accept criticism from the workers, but apparently not all managers meet that criterion.

> Criticism? From above, as much as one likes. He may even appeal for the development of criticism and for the sharp formulation of problems. Yet, should anyone try to criticize him, he may frequently regret it. It is in such circumstances that the initiative of the people gradually dampens. They lose interest in the bold objectives of the collective which becomes corroded by relations marked by alienation and mistrust,[38] and intriques, alien to socialist collectivism.

And thus, for want of kritika i samokritika (criticism and self-criticism), the kingdom is lost. The same authors suggest that training in sociopsychological aspects of management might be helpful, and judging from some of the disputes that seem to develop among subordinates and between the manager and his superiors, we are inclined to agree. Finally, a skillful public relations man could do wonders to inspire "socialist competition" among the workers and thereby increase yields.

In general, our observations and reading lead to the same conclusion as that offered by Alec Nove. Kolkhoz chairmen are a mixed bag.[39] Some few undoubtedly are outright scoundrels. Some, perhaps even a majority, genuinely try to further the interests of the farm membership. Yet, as underscored above, none can forget for one moment that his tenure in office is at the sufferance of higher party officialdom, and not ballots cast in a general meeting. True, Fedor Belov in his The History of a Soviet Collective Farm, does relate one instance in the late 1940s when a farm membership was able to rid itself of a particularly unsavory chairman, but such successes must be rare.[40]

Although a majority of the workers are women, very few ever become chairmen or directors. The typical chairman of the 1930s, according to

Fainsod's analysis of the material in the Smolensk archives, "was hard driving, hard drinking, blustering, and threatening, frequently abusive and foul of mouth." These traits, with some important additions, probably still apply generally today. Now that telephones allow constant contact with rayon headquarters, managers must learn to be responsive and polite to their superiors, but for those under them on the farm they surely are "too powerful."[41] Even though most may try to improve the conditions of the membership, they probably tend to share the outside officials' view that the peasants are "tricky and untrustworthy,"[42] and that many of their immediate assistants on the board of management are "fools."[43]

Admittedly, Western visitors see only the better farms directed by the most effective leaders. Of the several farms we visited on trips to the rural USSR in 1960, 1970, and 1977, the average tenure in office of the managers was well over five years. Within that sample, however, all proved to be powerful personalities, proud of their farms and their accomplishments. All proved to be highly intelligent leaders, the type of men found in charge whatever the setting. Unlike the earlier managers, however, all (or virtually all) are now party members, and the great majority have had at least some specialized education for the task. Indeed, as of 1977, 93.5 percent of the kolkhoz chairmen, and 98.3 percent of the sovkhoz directors had secondary or higher specialized training.[44]

Like his U.S. counterpart, the truly successful Soviet farm manager in the 1970s must possess a wide range of specialized knowledge, not only about plants and animals, but also about machinery and chemicals. However, there are important differences between the two types of managers. Change

has put business acumen at the top of the list for U.S. farmers. Today, success is determined by one's ability to know what to buy and when, what to sell and when; in every sense of the word they are entrepreneurs who organize, manage, and assume the risk of a business enterprise. In contrast, although the Soviet manager risks his career as a boss, any risk of the enterprise is taken by the state, and the major talent required of the manager is the skill of an administrator who makes sure that those under him perform in ways that satisfy Moscow's orders.

Peasant Private Enterprise

Although our major purpose has been to examine the farm manager as an entrepreneur, we cannot ignore totally the individual peasant, who exercises a considerable degree of entrepreneurship in a sea of socialism by clinging tenaciously to his tiny vestige of private enterprise, the household plot. Indeed, the importance of the private plot and the level of entrepreneurship practiced by the peasants suggests a wholly separate study, which has been undertaken in part by these and other authors in earlier works. (See, especially, Karl-Eugen Wädekin, The Private Sector in Soviet Agriculture.)

However small, averaging some 0.5 hectares and occupying only some 3 percent of the total sown area in the USSR, the plots are enormously important to both the Soviet economy and the livelihood of the vast majority of the nation's rural inhabitants, as well as some urban inhabitants who have acquired the use of similar plots.

Private peasant enterprise is the major outpost of agricultural entrepreneurship in the fullest sense of the word. When there is little or

no meat in the state stores the consumer can go to the kolkhoz market and usually find what is wanted, that is, if he is willing to pay the price. In the spring, when vege ables and fruits in the north are still weeks from ripening, we have ridden in airplanes filled with peasants carrying baskets bulging with produce headed for the kolkhoz markets of Moscow, Leningrad, and other northern cities. Given the relatively inexpensive cost of airfare and the demand for fresh produce, a peasant can pay for his or her ticket and other travel costs, go to a city, sell the produce, and still return home with several rubles profit.

More enterprising individuals can turn a considerable (though illegal) profit in the market. In an article about such activities in Alma Alta, for example, F. Zevriyev tells us:

> For example, some market workers confirm, as do police, that a significant portion of market places are occupied by the same people day after day. Moreover, they sell the most varied articles, which it is impossible to cultivate on one's private plot.
>
> The following facts speak of who these individuals are. A certain Z. Rogovenko systematically bought up cleaned chickens from city stores and sold them in the market for 3 rubles per kilogram, or for double the original price. She was arrested 23 times by the police for speculation with products, and only recently has a criminal case been brought against her.
>
> A. Fomina bought 13 cases of tomatoes, a total of 568 kilograms, from kolkhoz workers and began to sell them with a 50 kopek increase. T. Kakharov acquired two sheep from a nearby village for a good price, but at the market he sold 1 kilogram of lamb for 6 rubles.[45]

Several elderly peasants near Kiev were called to task for making wine from their own grapes and selling it locally. The quality of the vintage

produced by V.M. Konovalov was questionable, but it had the desired effect for several pupils from the higher grades who had been frequenting his cottage. The chairman of the executive committee of the village soviet tells us what was done about the infraction:

> We invited Konovalov to a meeting of the executive committee and scolded him severely. One would think the very walls would blush with shame, but the guilty party was calm. He knew how everything would end. We would send the case to the administrative commission, and there he would be fined 10 rubles. And in the protocol it would be necessary to note "alcoholic beverages." That was because if you wrote "wine" the decision might be overturned. Then he would bring me a receipt for the fine, and would blubber that this was the last time. And I could see in his eyes that he was lying. It would be necessary to haul him into court again. And again the whole thing would end with a 10-ruble fine.[46]

Although Khrushchev tried to restrict the private plots, Brezhnev, in his resolve to improve diets, has presided over a move to encourage the increase of such production. No wonder, as of 1977 the private farming activity furnished 28 percent of all agricultural products,[47] and in 1976, 34 percent of all livestock products and 10 percent of all crops.[48] In Belorussia in 1976, permanent kolkhoz and sovkhoz workers (thus excluding others with private plots) held 23 percent of all cattle, grew 50 percent of all vegetables and potatoes, produced one-third of the milk and meat and 50 percent of the eggs. From this activity, they derived 40 percent of their personal income. Not surprisingly, the official estimate is that rural workers devote some one-third of their working time to their private enterprise.[49]

True, a significant portion of the fodder for the private livestock comes to the peasant by way of payment in kind for her or his work on the collective, plus an additional untold amount by way of mid-night requisitioning. As Karl-Eugen Wädekin observed in his monumental study of The Private Sector..., how else, except by theft, can one explain the size of the private livestock holdings?[50] Author N. Boroznova in a Sel'skaya Zhizn' article points out:

> The minutes of the comradely court provides precise figures. Of the ten sessions held in 6 months, six were devoted to thefts of concentrated feed from the farms. It is typical that virtually every comradely court session winds up with the adminstration's recommendation to write off concentrated feed for personally owned livestock.[51]

Another article in Sel'skaya Zhizn' relates:

> During the harvest it is nothing for a tractor or truck driver to stick a sack of grain under his seat and later cart it off home. Grain disappears from the threshing floor. And when the potatoes are lifted, it's impossible to count how many buckets, bags and nets filled with potatoes disappear from the fields.[52]

In his foreword to Wädekin's book, Gregory Grossman summed up much of what needs to be said:

> The private sector is of course an anomaly in the socialized, centralized, planned economy of the USSR. Economically it is backward, ideologically it is alien, politically it is suspect, and morally it stands in the way of the creation of the new socialist and communist man. But it utilizes labor, land, energies, and drives that would otherwise be largely lost; it produces an important part of the food supply; and it provides income where the socialist economy fails to do so.[53]

In recent years, however, numerous articles in the Soviet press strain to justify the existence of and, indeed, to encourage these private activities.

> Thus the private subsidiary farm is the sphere not only of private, but also of public interest. Here the public and private interests intertwine, interpenetrate and supplement one another.

Or again,

> Since the producer working at a private subsidiary farm is simultaneously a worker at a kolkhoz or sovkhoz, the private subsidiary farm participates in the reproduction of manpower for socialist agriculture, in the creation of a necessary product.[54]

Various kinds of assistance beyond the fodder are now provided at least on some farms. One kolkhoz chairman arranges for the sale of mineral fertilizer and insecticides to peasants, and has helped to install small irrigation systems to half of the plots on his farm. The common incubators provide hatchlings (we assume for a fee) for the peasants to raise at home. Bee keeping and rabbit raising are encouraged. Frequently, peasant field plots are cultivated by farm tractors, usually for a fee, but not always at the desired time. The peasant has learned that a gift to the tractor driver in the form of an extra three rubles or a half a liter of vodka will usually expedite the plowing, unless, of course, the driver consumes the latter while working, which is not unheard of.[55] Unfortunately, the farm machinery is designed for work on huge fields and is not always satisfactory for small plots. Much of the work still must be done by hand. Here, however, the peasant usually has free reign to make his own decisions, an opportunity completely lacking in the public sector. We use

the word usually because recently there have been several articles stressing the fact that since the private plot is really public land, the farm has a responsibility to see to it that the plot is properly cared for and made adequately productive. Could this portend an attempt by some farm managers to penetrate that bastion of individualism?

Certainly there have been no recent attempts to reduce the amount of land or livestock managed by the peasant. Quite to the contrary, we read articles deploring the reduction of private livestock holdings. Poultry, pigs, rabbits, and sheep seem still to be in abundance, but fewer and fewer families are keeping a cow and a calf.[56] Part of the reason seems to be the scarcity of feed, fodder, and pasturage. Enterprising peasants, however, have learned that if they cannot steal adequate feed they can purchase bread at the state store for relatively little and use it as feed, although there has been a general outcry against such a practice.[57]

The major complaint one reads today against the private plot is not that it is needed to supplement the supply of food produced in the socialist sector, but rather that it is sometimes the means for private speculation. In a hard-hitting article written in 1977, A.Sharovskaya quotes from a letter:

> "As a rule, the prospering garden owners are those who are in no hurry to help out on the kolkhoz field. Their own plots are in exemplary condition, though. Everything they raise is of the highest grade and--for the market. They fatten their pigs until they are a sight to behold. Also to sell."

Then she goes on to say:

> Of course, we cannot place all of the personal plotholders on the same level. It would be a grave

> error to consider on the same level those who conscientiously work for the good of society and care for their personal plots at the same time, selling the surpluses, and the open money grubbers who have turned state land into a source of unabashed profit making. In our nation the land is of course state property, belonging to all the people. To turn it into a source of profit is to grossly flout public interests, to think only of one's own benefit that is, to go counter to the moral principles of our life, the laws of socialist communal living.[58]

Thus the battle over the private plot goes on while the peasant steadfastly maintains his foothold as an entrepreneur in Soviet Society.

The Schizophrenia of the Soviet Rural Dialectic

Limited as they are in their entrepreneurial activities, we conclude that Soviet farm managers are, at most, quasi-entrepreneurs.

Even more, they are a new breed of rural bureaucratic administrators, caught in the schizophrenia of the Soviet rural dialectic. From a Marxian point of view, the private plots are remnants of the old thesis, eventually to be transformed by the antithetical forces of the kolkhozy and sovkhozy. Yet the modern private peasant enterprise is hardly that which existed in rural Russia under the old regime. Considering the number of articles appearing in the last few years condemning actions to block expanded private enterprise, and those advocating positive changes in their favor, we wonder whether economic reality in the form of an increasingly pressing need for more food has not thrown a new antithetical wrench into the machinery of Soviet history. The schizophrenia is that the countryside is ruled by farm managers tightly restricted from above, but insulated from any risk of the business enterprise, who are dependent for the success of the collective enterprise upon a bastion of millions of

small entrepreneurs who would rather maximize their time and efforts on hoeing their own rows, because that is the part of their lives over which they have control. In any event, unless Brezhnev or some future successor should effect a reversal of recent policy, the tiny family enterprises seem to have a brighter future than has been their past.

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FOOTNOTES

1. The authors wish to thank the Hesston Foundation and the University of Kansas whose assistance helped to make this study possible.

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3. We use the term farm manager to denote both the kolkhoz (collective farm) chairman and the sovkhoz (state farm) director, since much of the time we will be considering them jointly.

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6. Merle Fainsod, Smolensk Under Soviet Rule, Cambridge, Massachusetts, Harvard University Press, 1958, pp. 303-05.

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14. M. Dariy, "Improving Kolkhoz Production Management," Kommunist Moldavii, No. 4, April, 1973, p. 57.

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19. David K. Willis, "The Man Who Sets 10 Million Prices," The Christian Science Monitor, June 21, 1978, p. 3. This is an interview with Nikolai Timofeyevich Glushkov, Chairman of the State Prices Commission of the USSR.

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21. A Platoshkin and V. Posokhovi, "In a Thorough and Businesslike Manner," Pravda, April 24, 1978, p. 2.

22. A. Mukhamedov, "Guarding the interests of the Kolkhozes and Sovkhozes," Turkmenskaya Iskra, August 12, 1975, p. 2.

23. N. Brizhan, "Supervision of Observing Laws on Kolkhoz Property Maintenance," Sotsialisticheskaya Zakonnost, No. 11, 1973, p. 31.

24. George Malarchuk, What to Do with the Surplus?" Literaturnaya Gazeta, No. 26, June 25, 1975, p. 10.

25. D. Kuzovlev, "The Concerns of a Villager," Novyy Mir, October, 1973, p. 206. How these extra parts are acquired by the peasants is another story. Some are purchased legitimately, but many come from pilferage of unattended machines. The story is told that once an entire tractor was dismantled and carried away, bit by bit, over a period of several weeks by workers who thought the parts might come in handy.

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52. Quoted from Sel'skaya Zhizn' in Allan Kroncher, "Just One Sovkhoz...," Radio Liberty Research Bulletin No. 307-75, July 25, 1975.

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