Chapter 3
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Public Administration during the Second Stage of Perestroika, 1988-1991 August Coup

In the preceding chapter, we sought to explain that during the first stage of perestroika though crucial time was lost in endless debates on the past and how to move ahead. In fact, the country had been turned into a kind of debating club under the programme of glasnost. However, the bureaucracy and the administration, in general, had begun to feel the wind of change. A major outcome of the first stage we have identified that democratic norms and accountability had begun to be considered vital for the administration, while on the other hand, the centralized structure of command and control were loosening, particularly in the field of economic management. However, the entire process was slow, taking almost half of the perestroika years.

In this chapter, we attempt at examining the state of Public Administration during the second stage of perestroika, roughly, from 1988 to the attempted coup in August 1991. It was obvious that the speed was essential during this period, while the very scope
of restructuring Public Administration had to be widened much beyond the economic issues.

Hence, the main focus of the process of perestroika shifted from the economic realm to the political resulting in the shift of the emphasis in Public Administration to political issues, although economic reforms continued. For the introduction of changes or development of the economic, social and cultural aspects in any country, the impact of the political realities is crucial and detrimental.¹

The preceding years of implementing economic reforms through the old institutions only revealed that for radical economic changes to be effective, political changes were imperative.² Economic activities were at the core of all Soviet activities. The new economic reforms had undermined the old administrative system of centralised command and control employed so far in the management of the economy. Yet, these years of reforms had not sufficiently equipped the administrative structure to take up new challenges now put on the agenda of the country. Radical economic

reforms required restructured administration, indeed the very end of centralised command and control system.

The Public Administration in the Soviet Union in the late eighties remained closely intertwined with the political system and hence, only with political changes could the administrative system be really restructured. The success of any economic reform was no longer confined to the plans or methods of implementation. Of equal importance were now the actual realities such as the support of the bureaucracy, political situation and economic pressures under which the reforms were to be carried out.

In the first three years that Gorbachev was in power, he had to constantly reckon with the factors that had brought Soviet society to a state of stagnation. In 1985, Gorbachev had received support as the new leader, but with the unfolding of perestroika and glasnost, his support base began to diminish. In fact, opposition to the reform slowly became more open; so much so that Gorbachev feared that opposing forces could revert his stakes anytime, and thus, he would lose out even before the minimal gains could be achieved. Gorbachev's aim with regard to political reforms probably was to make perestroika irreversible and establish his position. At a meeting on 8 January 1988 with the executives of
the mass media, ideological institutions and creative unions in the CPSU Central Committee, Gorbachev spoke of the completion of the first stage of perestroika and the beginning of the second stage. He said, “in the first we had to do substantial work in order to theoretically comprehend the situation that had come about by the mid 1980s. Now the most complex stage has begun one in which the concept of restructuring is to come into very close contact with life. With practical activity of the millions of Soviet people...”3

The support of the people was mandatory for the success of any programme. Though Soviet Union exemplified mass participation in administration through the Soviets in principle but in practice this had not been the case through the years. Due to party control and central administration there was not much scope for the people to enjoy the freedom of choice, opinion and participation in decision-making. People silently adhered to directions in the party controlled state. And, as far as Soviet Union was concerned, political reforms were urgently needed to activate the people in the cause of the reforms. “Passive acceptance of new rules and procedures is a minimum requirement for success; active support is

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more often required." And as for Gorbachev, it was vital for him to assimilate active mass support for his programmes in the face of opposition to perestroika.

Political Reforms

19th Party Conference

The tone for political reforms was set even from the first stage of perestroika during the Plenary Sessions in January and June 1987 when it became evident that economic reforms needed to be supported by political reforms. The 19th Party Conference, a key event during the second stage of perestroika, had its major focus on political reforms.

Party Conferences had not been convened in the Soviet Union for many years. The 18th Party Conference was held in February 1941 after which Stalin discontinued the practice. Party Conference was normally held between Party Congresses. It was introduced in Lenin's time as a special forum of the party to deal with immediate economic and political problems that could not wait till the next Congress in order to be solved.5

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5 Baruch A. Hazan, Gorbachev and His Enemies: The Struggle for Perestroika (Boulder, 1990), pp. 166-167.
The 19th Party Conference began on 28th June 1988 and focused on how to strengthen and make the restructuring process that had been introduced in the Soviet Union irreversible. The report presented by Gorbachev to the Conference reviewed the progress of restructuring. Gorbachev acknowledged that inaccurate evaluation of the situation and inappropriate solutions were the causes of a rather slow pace of change in economy. He said that though reforms were introduced:

difficulties arose largely due to the tenacity of managerial stereotypes, to a striving to conserve familiar command methods of economic management, to the resistance of a part of the managerial personnel. In some cases, indeed, we are running into undisguised attempts at perverting the essence of the reform, at filling the new managerial forms with the old content.⁶

The administrative system did not discard the old system which enabled them to hold on to power. In such a context, the conference resolved that reform of the political system was the most important guarantee of the irreversibility of restructuring. The major focus was that it would redefine power location within the political system. These reforms would effect a diffusion of the

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halved and that in autonomous republics, territories and regions, cut by one third. 9

These changes, however were minimal and the administrative structure that continued was large, unmanageable and working for its own interests. The conference therefore proposed that, "in asserting the need to upgrade radically the efficiency of our administrative and managerial system, we should deal with this system in its entirety." 10 There was no scope for any aspect of the administrative system to be left outside the purview of restructuring. Among the many resolutions passed at the conference was also, 'On Combating Bureaucracy'. It said that:

the struggle against bureaucracy in the social and political spheres must be conducted through a tireless effort to promote democracy, extensively develop forms of socialist self-government, enhance and strengthen the powers of the Soviets, ensure direct involvement of working people in taking and implementing government decisions, make the public better informed about the state of affairs in various spheres of the country's life and enhance people's control over the activities of government bodies. 11

The urgency of political reform was vital in restructuring administrative structure. Since, the administrators had always been

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9 Ibid., pp. 60-61.
10 Ibid., p. 61.
11 Ibid., p. 141.
reluctant to adopt new methods they had connived with higher authorities and control system had also failed to check them and they had proceeded undeterred doing what suited them best. Political reforms now sought to reinforce control over Public Administration.

Thus, throughout the Conference, democratization and political restructuring remained the dominant themes replacing the preoccupation with economic aspects as seen before. However, there were repeated contending arguments from delegates about the state of the economy. But Gorbachev opined that, focus on political questions was crucial as the fate of perestroika hinged on political changes. According to Bialer, it revealed Gorbachev's realization of Marshal Tito's maxim which stated, "Economic reforms are impossible in Communist system, what is possible are political reforms that have economic consequences."12 This may not have entirely been the case with Soviet Union but there was a certain degree of reality. Severe economic crisis in Soviet Union had caused the leaders to prioritize economic reforms over political reforms not realizing the consequences of such a move. They failed

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in their analysis that a resurgent economy was the answer to the problems in the Soviet Union as against a restructured administrative system. The economic reforms could not succeed within the old system since these reforms aimed at changing established mores. The administrative system which was directly linked with the party did not support this move. It obstructed the implementation of reforms, making it mandatory the immediate reform of the political system.

Electoral Reforms

The first important decision about the practical work involved in implementing the resolutions of the 19th Party Conference was made at the 29th July 1988 Plenary Session of the CPSU Central Committee. The resolutions passed at this session included electoral reforms for the party and the Soviets, laws on constitutional changes and slating the elections for the deputies to the Congress to be held in March 1989. These were later adopted by the Supreme Soviet in December 1988. Gorbachev at this session said, “the main lesson of the recent past is that it is impossible to break out of stagnation quickly, unless we

democratise our entire life and revive the Soviets as representative bodies of power and the people’s self-government.” These were significant decisions considering the stringent election rules followed through the years in Soviet Union. Though the constitution guaranteed ‘universal, equal and direct suffrage and by secret ballot’, the whole process of election was greatly controlled by the Communist Party right from the nomination of the candidate to people casting their votes. Competition was not allowed. The people had to comply to all dictates of the Party. The new proposals thus left unguarded the area of people’s representation, so far closely guarded and directed by the Communist Party. It also gave to the electorate the freedom to choose without being influenced by official Party directives.

The election to the Congress of Deputies was held on 26 March 1989 which was very different from all the elections conducted earlier, right through the Soviet history. The elections were revealing on various fronts. Many party members failed to get elected and voter percentage was less than hundred percent in contrast to the trend prior to 1985. The election was not without

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discrepancies. There were instances of violations of the law and also pressurizing people. However, 87.6% of those elected were party members or candidate members. The constitution of the Congress as an elected representative body was significant on two fronts. One, in assisting the head of the state to make right political decisions and the other in garnering wider participation in the process of arriving at these decisions. The Supreme Soviet, a body which formally approves the decisions made by the different party forums, had never been the final or actual decision-making body. With the constitution of the Congress, the different party forums ceased to be centres of power. Thus, the waning influence and the role played by the party was the beginning of the other political reforms that were to follow. However, Gorbachev failed to realize that such relocation of power from the Communist Party, which was at the centre stage for many decades, would not be smooth and the gap could not be easily filled in.

The Congress of the USSR People’s Deputies began its work on 25 May 1989 and Gorbachev was elected Chairman of the USSR


Supreme Soviet. This was a new trend as Gorbachev also assumed new roles with political changes. So far, the source of leadership was solely from the party. But the motive for this move seemed to be the need to derive power from different sources and thereby strengthen his leadership. Moreover, the functioning of the new parliamentary institution ascertained that the 'era of controlled democracy from above' had made its exit and ushered in the practice which made 'socialist democracy more humane and responsive to public opinion'.

Even as political changes were effected there also evolved other formations both within the institutional framework and outside it. This was the evidence of the greater freedom that Soviet society had during this period. An inter-regional deputies group was formed within the Congress of USSR People’s Deputies in July 1989. Though it did not identify itself as an opposition group, the purpose of its formation was to put forth alternative proposals at


the forefront of restructuring. These deputies rallied to accentuate economic reform and also widen the scope for autonomy. Yeltsin was among the leaders of this group. Though this group supported the reforms, it also played the role of opposition with the expectation that this would usher in a rigorous pace in implementing the reforms.

Political Reforms and the Communist Party

Reforms in the political arena definitely meant that they would impinge on the party. As a result, the primacy of its position in the society began to decline steadily. Yet, in spite of the political reforms in this stage, the party was again called to lead the reform movement and to be actively involved in the implementation process. However, it was required of the party to bring about change in its setting so as to enable it to adapt to the changes in the society. Addressing the Plenum of the Leningrad Province Party Committee on 12 July 1989, Gorbachev said:

... we still have the right to say that there is a deep understanding in society of the role of the CPSU as the political vanguard and powerful engine of restructuring. Therefore, communists and the broad masses of the working people are legitimately concerned by the fact that restructuring within the
CPSU is lagging behind the processes that have unfolded in the society.\textsuperscript{20}

Leaders continued to pin their hopes on the Party to successfully lead the reforms. This was in spite of the fact that even an institution like the Supreme Soviet had begun exercising the role that had, by practice, belonged to the Communist Party. As far as Gorbachev was concerned, despite the political reforms which reduced the party’s role, he still hoped for a reformed party to continue giving leadership to the country. Simultaneously, it could be observed that Gorbachev’s attitude towards the party was a divided one. At one point, he felt the impossibility of governing the country without the CPSU and at another, that maintaining the party will only impede growth of the country’s economy.\textsuperscript{21} But even as of 1989 the stronger of the two opinions that Gorbachev held was that of the indispensability of the CPSU. This was constantly evident in Gorbachev’s actions. In line with this proposition, Gorbachev, at the Plenary Session of the Central Committee of the CPSU on 19 September 1989, decided to advance the date of the


28th Party Congress. The reason cited for this was the need to carry out “an indepth renewal of the party in the context of quick changes, and the old structures and its outdated rules and instructions greatly hindering the work of the party agencies.”

Gorbachev was more consistent on the opinion that in the resurgent and united CPSU lay the future of the Soviet Union and the reforms. Though such interest was voiced several times, there seemed to be no concrete efforts towards it. However, damage was done in that “Gorbachev had already committed the fatal mistake in his drive for the democratization of Soviet institutions. He had conveniently left out the democratization of the party apparatus itself.”

Gorbachev had only been verbal about reforming the party together with the political system. This development spelt ill for a country such as the Soviet Union where Communist Party played a vital role. The party was the primary unifying factor of all the Soviet republics which had major variations and diversions between them. Through the years it was the Communist Party’s

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organizational structures, principles and methods that had made the existence of Soviet Union possible. But now in the reformed Soviet society, the features of the old Communist Party did not fit well. It had been vital that the party be reformed but matters had progressed too far.

However, amidst the efforts to revive the party also was heard the demands to drop Article 6 of the Soviet Constitution which gave the Communist Party, the primacy of its position. The reforms had given immense freedom in areas, particularly in the political realm thus leading to the formation of several political combinations and groups. This stood in stark contrast to the years of Soviet political activity.

The Communist Party which was the only political formation through the years now no longer held the monopoly of power in reality amidst the many groups. It was estimated that by the late 1980s there were as many as 11,000 new independent associations. These included several political groups as well. But the general opinion was that Article 6 lent to the Communist Party its leverage in the administration of the country. And, in that

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capacity it had not done much to hasten the pace of reforming the
Soviet Union, particularly after 1985, in spite of the authority and
power it wielded. It was not just that the party could not keep pace
with the reforms but being confronted with the reality of its
diminishing role it also obstructed the reform process. Most non
party members were strongly of the opinion that “the CPSU, far
from being a part of solution, is rather part of the problem.”
Consequently, at the Plenum held between 5th to 7th February 1990,
Gorbachev won the backing for a new draft party platform which
would renounce the party’s constitutionally guaranteed monopoly
of power, to be endorsed in the 28th Party Congress. This move
would effectively make way for a multiparty system. This
endorsement was however advanced, and at the 13 March 1990
session of the Congress of the People’s Deputies, the Article 6 was
discarded, eliminating the Communist Party’s monopoly of political
power. At the same session the law establishing a USSR
Presidency was passed and Gorbachev was duly elected to that post. The Presidential Council was also appointed to assist the

President. This again appeared to be a realignment of power. The central organs of the CPSU such as the Politburo, the Central Committee and the Central Secretariat being replaced by the President and the Presidential Council. These actions revealed that Gorbachev was volatile in implementing his ideas. Though time and again he reiterated the urgency to revamp and revive the party, this move only proved otherwise. It further established Gorbachev’s desire to stay in power. It did not prove to be an action in the best interests of the country.

On the whole, elimination of Article 6 was the most pivotal change that the Communist Party encountered during the perestroika period. There was almost a total reversal in its role and position. In a democratic setting it now had to strive for a place of leadership with the other contesting parties. Public Administration and the Communist Party being intricately woven together as seen earlier, the new development indicated towards establishing a politically neutral administrative system. Even from the administrative setting of Ministries, State Committees and Council of Ministers, power shifted to Soviets and Congress of People’s Deputies.

28 Ibid.
28th Party Congress

The context of the 28th Party Congress was totally different as against all the previous Congresses. The Communist Party no longer held monopoly in political power. Though as per rules it was slated for a later date, it was advanced in view of the pace at which changes were taking place in the society. It was necessary that no time be lost to rethink of efforts on how to activate the party.

The Congress was held in July 1990 and the programme statement of the Congress was, ‘Towards a humane, democratic socialism’. Gorbachev in his keynote address to the Congress said, the Soviet Union was in a “transitional period in which dismantling the old system - and still less the building of the new one – has not yet been completed. We must therefore act more resolutely, because any delay is sure to aggravate the situation in the country.” The call was for the Communist Party structure alone, since by July 1990 the party was bereft of most of the important roles it had played in the country. Unlike in the past when matters of discussion in the Congress related to the future of the country, now the scope of the Congress decision was confined only to the

party. However, in spite of the changed realities the vanguard position of the Communist Party in the society and the importance of its role in the restructuring continued to be stressed. No major changes were effected yet within the party, but the impact of perestroika in the country could be observed on the Communist Party. The Congress itself was witness to the changes that had come about in the society. This could be seen even in the party forum. There were several demands inconsistent with the party behaviour and norms of the preceding years. There was sloganeering against the Communists, open contest for General Secretaryship, new post created for Deputy General Secretary, free access for all journalists and party sponsoring the radio and television publicity among the others. Whether all this was the result of the changes within the party or changes forced upon by the situation in the society and whether the leadership was reconciled to these changes could not be properly ascertained. In all probability the fact was that the party could no longer hold out against the drastic changes being effected in the society.

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Strengthening the Republics

The Soviet Union comprised 15 republics with different ethnic and national identities. It was a unique model of the unity of different nationalities. The Soviet Union merged within its folds varied aspects of culture, politics and economy. In fact, after the World War II Soviet Union had almost been the only state successful in restraining the "global trend of national and ethnic self-assertiveness against central authority." There were several instances of rebellion against the centre, particularly from the Balkan States. Though the centre controlled effectively the struggle of ethnic groups for secession and freedom, the desire for autonomy still remained. Their assertion was not just against:

discriminatory Soviet political, economic, demographic and cultural policies but against the very principle of Soviet federalism: the political, economic centralization of the Soviet Party-State which concentrates decision-making for the entire Soviet Union in Moscow, while retaining an administrative framework which safeguards the territorial boundaries and formal ethno-cultural institutions of non-Russian nationalities.

In spite of many years of Soviet rule the different ethnic and

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32 Ibid., p. 207.
nationality groups were yet to fully integrate within the Soviet Union. Power was largely wielded by Russian, and non-Russians were mostly deprived of leadership and administrative positions. This further caused more alienation.

The republics strongly felt the impact of Gorbachev's reforms of perestroika and glasnost. In fact, this emboldened the nationalities and ethnic groups towards self-assertion and they pressed to achieve their demands. Particularly since 1988, one thing that was prominent was that the individual republics assumed greater freedom in matters of legislations, decision-making and conducting their political and economical affairs. Moreover, among the nationalities and ethnic groups, clashes and discord became a regular feature. In fact, in early November 1988, the Central Committee, in an effort to ease the situation and increase their cooperation with the centre, called for a Party Plenum on ethnic relations in 1989.33

Though Public Administration was charged with many vices, however, its role in holding the republics together, under the centralised command and control system of the Communist Party

cannot be denied. It was in their combined strength that Soviet Union managed to quell major trends of self-assertion from the republics. But now with the reforms, the end-results in the republics were contrary to those intended. This was another example of the weakening effect of the reforms on the Public Administration, so much so that it could not play its full part in maintaining unity of the Union. Though this may not have been the only cause, nevertheless it was an important factor. Such a trend was evidently noticed from the end of 1988.

The Baltic states were the forerunners in effecting measures to break away from the Soviet Union. They were strongly attached to the past and the Soviet Union for them meant forced subjugation. The reform period for the Baltic states was “the perfect opportunity for demonstrations and protests aimed at raising national consciousness.”

It begun with Estonia in November 1988 and the other Baltic states soon joined to set the pace for independence, despite Moscow having spurned them as extending beyond the set limits. The Estonian republic’s Supreme Soviet adopted amendments which gave its law pre-eminence over

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that of USSR. Lithania and Latvia later followed Estonia. They further asserted their independence and followed their own course. In January 1989, Lithuania’s Supreme Soviet decreed that Lithuanian was to be the state language. This meant that official business would be carried out in Lithuanian and therefore executives had to be fluent in the same. This trend gained further ground on 18 May 1989 when state sovereignty of Lithuania was adopted in its Supreme Soviet. The other Baltic states also followed suit. However, this pattern was not confined to just the Baltic states but it was also exhibited in the other republics of the Soviet Union.

In May 1990, at the Russian Republic Supreme Soviet the deputies had an extended discussion on sovereignty for Russia. The same session also elected Boris Yeltsin as the Chairman of the Russian Republic Supreme Soviet. One could possibly trace from

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here the beginning of Yeltsin’s assertive stance with regard to Russia’s relation with the centre. On 11 June 1990, the Russian Congress, with an overwhelming majority, voted for the state sovereignty of the Russian federation. The centre was slowly losing its power to its constituents. In August 1990, Tadzhikistan and Turkmenistan declared sovereignty and Armenia declared independence. The statement of the Turkmenian Supreme Soviet read that even while remaining part of a renewed USSR it “reserves the right to freely secede from the USSR and the authority to establish its own political economic system.”

Soon it became evident that ethnic and national identity was surging ahead of the ‘supranational identity’ that Soviet leaders had tried to forge through the years. Besides these identities, there were also many other factors which prompted such a move. Another important reason for the attitude of the republics to go alone was the mounting economic crisis. Even in 1985, when Gorbachev came to power the economy was in a critical situation.

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Notwithstanding the many economic reform initiatives since then, the economic scenario continued to be dismal. They wanted to limit the centre’s hold over them. The situation was going out of hand as far as Soviet Union was concerned.

In the wake of such a situation, Gorbachev thought it appropriate to revise the 1922 Treaty of the Union as a restraint against any further damage. The new Union Treaty, that was to replace the old one, recognized that each Republic that was part of the treaty as a “sovereign state and possesses full state power on its territory.” But it proposed that while the Union was to be kept intact, there was to be a clear demarcation of the activities between the Union and the Republics and that each Republic was to be given the right to self-determination. A provision was made in the treaty to avert the disintegration of the Soviet Union. The new treaty, made public in November 1990, was a “radical plan under which the USSR would become a Union of Sovereign states, with the centre handling only such issues as defence, foreign affairs and certain financial and economic matters delegated to it by the

43 Ibid.
Gorbachev had endorsed, though not consistently, an active involvement of the Communist Party in the reform process but when the discussions on the Union Treaty were on, he began to disown it. At a session of the USSR Supreme Soviet, Gorbachev assessed the crisis in Soviet Union and squarely blamed the party. In the past, the party was the embodiment of power and its methods were rigid and authoritarian. The problem now was that “while getting away from the old structure of power, we have not created democratic mechanisms corresponding to the new tasks.”

Gorbachev’s assessment of the power structure was flawed. He failed to fully comprehend the consequences of excluding the party from administrative tasks of the country, particularly with regard to the stability of Soviet Union as a country. According to Gorbachev, “if we are able to sign the Union Treaty before long, this will help us normalize the political situation in the country, make coordinated efforts to resolve questions of stabilizing the economy and changing over to a market economy and create conditions for

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the effective activity of law-enforcement agencies." Efforts were on to get all the republics sign the new union treaty.

However, everything was not going on smoothly for Gorbachev. Matters between Yeltsin and Gorbachev also seemed to be heading for a confrontation. Yeltsin, speaking on the Central television on 19 February 1991, opined that Gorbachev's intention was to grab absolute power and reverse the ongoing trend of democratization and therefore he should resign. Though Yeltsin had even rebelled earlier against the establishment and questioned the reform approach, this was the first time that he directly blamed Gorbachev and asked him to resign. Yeltsin's stance only reflected that Soviet Union had come to a point where individuals could develop their own base besides the party and so confront the leadership without fearing any consequence. This event prompted the USSR Supreme Soviet to pass a resolution condemning Yeltsin's speech as one trying to 'create an emergency situation'. But, Russia under the leadership of Yeltsin continued to clamour

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46 Ibid., p. 4
48 Ibid.
for more powers and recognition. The Union also constantly obstructed and interfered in the decisions and resolutions of the republics and hampered their full participation and development. The republics, however, wanted to follow their own line and questioned the capacity in which they could be involved in the Union Treaty. Even while the proposals for the Union Treaty were on, the republics of Russia and Ukraine signed a treaty on the principles of relations between them in November 1990.\(^49\) This was done outside the purview of the Union Treaty and the USSR constitution. It was on the basis of the sovereignty declarations of both the republics.

A referendum was conducted in March 1991 on the question of preserving Soviet Union as a federation of equal republics. Over 76% of the 80% of the people who voted answered in affirmative for a renewed Union. The referendum also approved the introduction of the post of President in RSFSR who was to be elected by a republic-wide popular vote.\(^50\) In keeping with these


results, the date for the election of the Russian President was fixed for 12 June 1991 by the Russian Congress. Further, Gorbachev and the Republic leaders of Russia, Ukraine, Belorussia, Uzbekistan, Kazakhstan, Azerbaidzhan, Tadzhikistan, Kyrgyzstan and Turkmenistan met together in April 1991. Their proposal was that among the “top-priority tasks in overcoming the crisis is the conclusion of a new treaty among sovereign states.”

It was in the midst of the discussions among the republics and the Union Treaty taking shape, that Yeltsin was elected as the President of RSFSR in the 12 June 1991 election. Yeltsin got 60% of the votes polled and became the first elected President of Russia. The victory tilted the scales favourably for Yeltsin in the power play. He was now in a position to dictate terms almost as an equal to Gorbachev which was evident in the decisions Yeltsin made after taking over as President of Russia. The election of Yeltsin as the President of Russia further had its negative impact also on the position of the party. The privilege of the Communist Party to operate in workplace was banned. Yeltsin cited the

emergence of other new parties in Soviet Union as the reason for this move. A decree 'On terminating the activity of the organizational structures of political parties and mass public movements in state agencies, institutions and organizations of the RSFSR' was passed on 20 July 1991.\textsuperscript{53} Though this decree evoked loud protests from different quarters, Yeltsin proceeded undeterred. As this stage of perestroika was about to end, an agreement between the centre and the republics was made on the Treaty of Union of Sovereign States in July 1991.\textsuperscript{54} 20 August 1991 was fixed as the date for the formal signing ceremony of the treaty. But this could not proceed frictionless. One was the wavering of those who would sign the treaty, and another was the opposition from liberals in Russia against signing the treaty as they felt it would be a detriment to Russian sovereignty. They urged for an all-Russia referendum before signing the treaty.\textsuperscript{55}


Economic Reforms

Economic reforms did not take a back seat totally, though the focus was on political reforms in this period. This change of focus was not a result of being satisfied by the economic gains made. In fact, the economic reforms had made very little headway. The years of reform according to Aganbegyan, showed that, "...measures were uncoordinated and did not reach the root of the problem. What we tried to do was to solve the most urgent problems we had inherited from the period of stagnation by a little tinkering, a little improving whereas it was clear that what was needed was a series of revolutionary changes."\(^5\)

The system through which the reforms had to be carried out was ill-suited for the same. The reforms had not done much to modify it. The shift during this stage sought to bring about such a change. Of particular importance was Public Administration.

However, continuity was still maintained in pursuing the economic reforms which had been initiated. The Law on State Enterprises discussed in the earlier chapter came into force from January 1988. The cut in the number of staff and abolition of

ministries continued. A decree was passed in the Presidium of the USSR Supreme Soviet to effectively abolish the ‘Ministry of Machinery for Light Industry, the Food Industry and for Household Appliances’ from 1 March 1988.57 Such efforts had been made since 1985. The leadership seemed preoccupied with the idea that the most important corrective measure for the administrative system was to reduce its numbers. The USSR State Committee on Labour and Social Questions and the USSR Academy of Sciences’ Institute of Economics at a round table discussion opined that the abolition of ministries and transfer of staff between different branches and also levels only showed that reducing personnel in the administrative apparatus was at the forefront of restructuring the economy.58 However, such cuts did not bring radical change in the economy as the target and principles of administration used continued to be the old ones. Abolishing or regrouping ministries or departments did not appear to be totally discrete since enterprises which did not do well continued to exist. In fact, the savings from the reduction of staff

was minimal in comparison to the amount being spent for the upkeep of some bankrupt enterprises.\textsuperscript{59} Another factor that was constantly an impediment to reform was that, the bureaucrats finding themselves in this new situation lacking control and power, sought to sabotage the reforms.\textsuperscript{60} This was not a new outcome but this was a practice with the administrative system right from the beginning of 1985. Public Administration having experienced the rigour that came with the reforms, was not prepared to concede easily to the new requirements of conduct. The best way to delay the impact of the reforms therefore was to subvert the reforms which it could do without much effort.

The reforms also exposed several problems which made it difficult for the system to function in the changed situation. Even as enterprises were decentralized and given the scope to operate outside the command-administrative system other loopholes which hampered growth became visible. Enterprises so far used to working within the framework of guidelines from higher officials

\textsuperscript{59} L.V. Palei and K. L. Radzivánovich, “How to Carry out Economic Reform: Points of View and Reality”, 

found it difficult to handle its new roles. The freedom to fix prices and rates of products brought in both disparity in price fixation and also increasing production of inexpensive goods.\textsuperscript{61} These moves did not spell good for the reforms. In decentralizing administrative decision, the leadership did not expect such response from the individual units. Therefore, in February 1989 the USSR Council of Ministers adopted a resolution to eliminate this practice and assigned to the USSR State Prices Committee the responsibility to monitor state price discipline.\textsuperscript{62} As new measures to improve the economy were tried, the period also witnessed that some reforms carried out earlier were unwieldy. In effect, the USSR State Agro-Industrial Committee was abolished in the reform period. The functions of this committee were assigned to different committees and according to some data, additional bureaucrats were required for this.\textsuperscript{63} Revoking an order uncovered severe crisis in the government system. The time that lapsed before they recognized that the USSR State Agro-Industrial Committee


\textsuperscript{62} Ibid.

was cumbersome was a point to note. It also revealed that functions carried out by this committee did not contribute much to revive the system. Even the purpose of staff reduction was defeated as extra staff had to be employed when the committee was abolished and reconstructed. In the final analysis, this only revealed hasty reforms eventually backfiring.

Some of the legislations dealing with the economy such as the small private business in August 1990, reduction of state control in October 1990, and denationalization and privatization in July 1991, were directed towards ending the Soviet method of operation as against the attempts from 1985 to 1989 to make adjustments within the Soviet system. As a leader, Gorbachev lacked clarity of vision. The years revealed that he started the reform process without proper planning and much forethought. Gorbachev did not stick to his plans and changed his orientation from time to time. Thus, towards the end of this stage, the failing economy had become one of the critical problems. Gorbachev, at this point, devoid of any concrete economic plans, visualized the consensus on the Union Treaty as the first step to revive the

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economy.\textsuperscript{65} The desire to stay in power more than the concern for economic renewal and unity of the Soviet Union forced Gorbachev to take these steps.

Through the years of this stage, the realization was strong among the leaders and the people alike that together with many reforms implemented, factors of retardation also were very much active. In September 1990, the Supreme Soviet of USSR passed a law giving additional or special powers to Gorbachev for the period upto 31 March 1992. This included areas of economic reform and also the establishment of new structures and institutions. The idea behind this emergency measure was “to extricate the society from the crisis situation, ensure the change over to a market economy and strengthen the country’s administrative system and law and order.”\textsuperscript{66} However, such measures did not seem to be of much effect. The pace of deterioration of the Soviet Union seemed to accelerate from the beginning of 1991. The failing economy and the inefficient administrative system left no scope for any improvement in the situation.


Moreover, the Communist Party was also in no position to do anything to rectify the situation. The party was divested of almost every privilege it had in its possession. There was also large-scale desertions from the party. Speaking at the 25 July 1991 Plenary Session, Gorbachev said that the number of members on 1 July 1991 of 15 million Communists was the same as that in 1973. In the preceding year and a half the membership had fallen by 4.2 million.67 Some prominent leaders of the CPSU like Shevardnadze and Yakovlev were leading the process of uniting the democratic groups to make it a real movement. They criticized the CPSU while continuing to be on its rolls.68 Thus there was a ghastly difference in the position and state of the Communist Party toward the end of this stage. This definitely had a strong impact on the administrative system.

Reforms and Public Administration

By August 1991, the state of Public Administration was not in anyway an improvement from that in January 1988. In fact, there was a lot of confusion and chaos. Administrative system continued

to be accused of subverting and sabotaging the reforms. The major impact was felt from the de-partyization of the administrative structures after the abolition of the monopoly of the Communist Party in political power as a result of scrapping of Article 6 of the Constitution. The Party had traditionally directed the Public Administration at every level and in all aspects and its sudden withdrawal from this role created chaos and confusion.

The republics gaining more power and autonomy also had its effect on Public Administration. Particularly with respect to Russia, it became intensified from the beginning of 1991 with Russia wanting to have jurisdiction over enterprises located inside its territories in the Union administrative structures. For example, Yeltsin signed an order in 1991 which transferred enterprises of the coal industry and other basic industries to the jurisdiction of the RSFSR State administrative bodies.69 This had so far been administered by the Union. But now the RSFSR Council of Ministers was assigned responsibilities for these enterprises and ensuring continuity in their functions. Another trend was that Russia formed its own parallel structures in areas which so far had

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fully been under the direct jurisdiction of the Union Administration such as the USSR Security Committee (KGB). On 6 May 1991 was signed a protocol which formed a RSFSR State Security Committee and demarcated the power between the Union and the Republic. 

Within some of the administrative structures too, roles and functions were reordered or reformulated. Gosplan, the State Planning Committee had played a leading role in planning in the Soviet Union. It was now transformed from a body that plans production targets into a body that plans the development of the economy. After withdrawing from planning of everyday plans of the production units, the aim now was the formation of several new departments and committees which would be facilitators in planning and development of the economy. Democratic centralism was a key feature of Soviet institutions. Public Administration operating as a centralised command system for all decision-making and planning for the entire nation left little or no scope for lower level participation in administration. Entrusting the


Gosplan with planning economic development was a relevant shift vis-a-vis restructuring. Planning production in individual units seemed a better proposition. The space for the administrative system to operate was thus being limited.

Glasnost had effected a sea change in the Soviet Union. It paved the way for free speech and reporting. However, there were still some curbs, though it cannot be compared to the period prior to 1985. The decree on the freedom of press came out in June 1990.\textsuperscript{72} This was a landmark decision as far as information policy was concerned. The law on the freedom of press withdrew censorship and provided for new access to information, right to use it and freedom to open fresh news media.\textsuperscript{73} Availability of open information meant for the Public Administration, public accountability and the questioning of its standard practices. Consequently, in keeping with the above decree from 1 August 1990, the role and responsibility of Glavlit, the Chief Administration for the Protection of State Secrets in Print was altered. The task that Glavlit was now required to do was just to


\textsuperscript{73} Ibid.
provide consultation to the media as a functional and structural organization under the government’s jurisdiction.74 This was an example of yet another administrative agency being divested of its old authoritarian role.

The concept of pressure groups as found in other countries was totally alien to the Soviet Union. These groups generally have a hold on political matters, policy-making and administration of the country. The Law on Public Associations which was ratified in October 1990 could be viewed as to make a beginning in this direction. The purpose was to provide feasible conditions for greater political and administrative involvement for the citizens.75 Public Administration now had to accommodate more. Its accountability system would be enlarged with freedom to form associations. By changing the very character of Soviet system this law welcomed the pressure groups.

By July 1991, not only the old forms of Soviet Public Administration had totally collapsed but the new ones also had become dysfunctional. Indeed, the old ones could not be minimally

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replaced with the new ones although there was lot of shuffling of personnel. As a whole, the situation in the country was getting out of hand. For instance at the end of 1988, the GNP growth rate had fallen to 2.4 percent.\textsuperscript{76} Indeed the slide down continued at an alarming rate hitting the lowest bottom by mid-1991.

In this scenario it was futile to expect the bureaucracy and personnel of Public Administration to keep their heads in the right places. As pointed out earlier, the new Supreme Soviet kept on debating various issues and passed innumerable laws that largely remained on paper, while the new Supreme Soviets of the republics, particularly the Russia’s Supreme Soviet under Yeltsin, had already challenged the jurisdiction of the Union laws on every affair of the national activity. Indeed there was, what may be called ‘war of laws’. A head of an enterprise or a top bureaucrat, however committed he/she may well have been to perestroika, hardly knew which law to follow on a particular day. On top of it all, frequent change of direction and Gorbachev’s hasty reshuffling of personnel, arising out of his penchant for compromises and politicking, had added to the general atmosphere of confusion and

\textsuperscript{76} Imam, n. 23, p. 43.
instability. Notwithstanding brave words and slogans about democracy, decentralization and public accountability, the entire structure of Public Administration in the country from the Union to the republics had really begun to disintegrate.

It was in such an atmosphere that the coup d'état came in August 1991.