Brezhnev maintained a stable compromise between factions within apparatus while simultaneously raising people’s standard of living. It was necessary to guarantee significant and consistent economic growth so that each social group could increase its share of cake without affecting the interests of others, and to a certain degree this objective was achieved. From mid 60’s to late 70’s workers’ income grew rapidly and their way of life changed.

With the beginning of 1980’s the contradictions and errors of political regime and economic mismanagement which had been concealed over many years began to drift to the surface and opinion had formed among the most varied strata of society that Brezhnevism had exhausted itself. An inconsistent modernization of the way of life had generated new demands and in the end, new dissatisfaction. People’s felt themselves (as younger generation came in) more independent and demanded respect for their civil and human dignity.

The so-called dissidents never proposed a programme of social transformation. They advanced the abstract programme of human rights and defence of the freedom and dignity of the individual which divorced them from the real problems of the masses. As a result the dissidents pinned their hope more and more on diplomatic pressure from without. Academician Andrei Sakharov, who initially favoured socialism with ‘human face’, had little by little, adopted a liberal standpoint and many
of his statements (on Vietnam and detente) were utilized by American hawks in their efforts to strengthen their position morally. "The most surprising thing is that the dissident movement, though, in desperate need of detente, practically never recognized this fact. Many in the dissident milieu welcome the coming to power in the west of such figures as Margret Thatcher and Ronald Reagan as a sign that "at long last a decisive stand had triumphed in the free world".¹ In late Brezhnev period workers in the government apparatus were genuinely interested in definite changes, but at the same time, were afraid of punitive measures likely to be taken against them. The industrial management apparatus was dissatisfied with departmental bureaucracy at the center but, at the same time, was tied to it by indissoluble bonds. The relations between the 'Captains of industry' and the local party apparatus were shaped in a similar manner. In the opinion of the left this limited the reformist potential of the technocracy, even in the implementation of a moderate technocratic project. Successful changes could only be begun on initiative from the above, but could only be completed by a mass movement from below.² By the beginning of the 80's such ideas were being developed in the pages of three Samizat journals - Varienty (Alternatives), Poiski (Searches) and Levyi Povorot (Left turn).

Because of the crisis in the dissident movement and the weakness of the left, official reformism remained only the real alternative to Brezhnevism. The reformist experts were mainly clustered around
research institutes in Moscow, Novosibrisk and Leningrad. The mouthpiece of Reformist EKO under the editorship of Abel Aganbegyan and Tatiana Zaslavasky attempted to combine scientific profoundly with popularity of exposition. Although, reformist current had numerous supporter in the most varied strata of society, but it could not count on the support of any broad social group.

Paradoxically, what the left saw as the greatest failing of the liberal experts' project - Namely, its vagueness and lack of direction - assisted the formation of a broad and diverse coalition of supporters of change. Everyone desired renewal, the problem was that its meaning was not uniformly understood.

In Andropov's time a resolute struggle was launched against corruption, which had become virtually a way of life for Brezhnev elite. Some activists of left groups who had been arrested in 1982 were released and their places in Lefortovo prison taken by embezzlers and bribetakers. But Breznev's supporters, in practice, killed off any reformist project started by Andropov like educational reforms.

The death of Chernenko and the selection of Mikhail Gorbachev as general secretary in spring 1985 brought an end to the protracted interregnum.
Conditions of U.S.S.R. Economy in 1985

The data in the table below suggest that the Soviet growth rate picked up in the mid 1960's but then continue to decline, particularly from the mid 1970's, the Soviet economy shifted into a less desirable, lower productivity growth path. These figures says American economist Edward H. Hewitt, that troubled the Soviet Leadership more than any thing else.4

As the Soviet economy was forced to adjust to slower economic growth rates, internal tensions over resource allocation. Hewitt's study indicates that during the 1970's the main burden of the growth slowed down on investment and defence spending rather than consumption. Of course, consumption growth slowed alongside the general downturn in output growth, but for the investment the change was more dramatic. In the first half of the 1970's per capita real income grew each year on average by 4.4% and investment by 7.7% in the second part of the decade both increased by 3.3% per annum, as a result there had to be a much steeper cut for investment than for consumption. But in the early 1980's things began to get much tighter for the consumers. In the first half of the decade investment growth accelerated slightly to 3.5% per annum while consumption growth fell back to 2.1%. As to defence, the data is patchy but the CIA view, again reported by Hewitt, is that upto 1976 spending grew roughly on par with output at 4% per annum. Beyond that date it
slowed to around 2% per annum. Whatever the precise figures there is little doubt that all sectors were being squeezed by the deterioration in economic performance from 1975 to 1985.

**Table-I**

**Soviet Growth And Productivity**

Annual Average % growth Rates

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Output</td>
<td>6.5</td>
<td>7.8</td>
<td>5.7</td>
<td>4.4</td>
<td>3.5</td>
</tr>
<tr>
<td>Labour productivity</td>
<td>5.5</td>
<td>6.8</td>
<td>4.6</td>
<td>3.3</td>
<td>3.1</td>
</tr>
</tbody>
</table>


**Table-II**

**Things Get Tighter-The Economic Squeez**

Average Annual % Growth Rates

<table>
<thead>
<tr>
<th>Year →</th>
<th>1971-75</th>
<th>1976-80</th>
<th>1981-85</th>
</tr>
</thead>
<tbody>
<tr>
<td>Output</td>
<td>5.7</td>
<td>4.4</td>
<td>3.5</td>
</tr>
<tr>
<td>Consumption (Real Income per Capita)</td>
<td>4.4</td>
<td>3.3</td>
<td>2.1</td>
</tr>
<tr>
<td>Investment</td>
<td>7.0</td>
<td>3.3</td>
<td>3.5</td>
</tr>
<tr>
<td>Defence Spendings</td>
<td>4.0</td>
<td>2.0</td>
<td>2.0</td>
</tr>
</tbody>
</table>

Note: Defence Data from CIA, Source Hewitt.

When Mikhail Gorbachov came to power in March 1985 he was faced with two immense and interrelated tasks: how to reinvigorate the
economy and how to give the people a sense of direction for the future. For this purpose he initiated many measures, which confronted him with multitude of but few answers.

**Trade Unions During First phase of Prestroika**

It was a usual practice in the Wrestwhile Soviet Union that after the death of a big leader some new policy changes were expected. As Roy Medvedev observed, "while the speeches at funerals stress continuity, most of the population's first thought will be of the changes in the society and the government ushered in by a change of ruler." In the first phase of Prestroika Gorbachev made his intentions clear for the restructuring of the economy and the democratization of polity which was necessary ingradient for the success of reforms. By the time of 27th Congress of CPSU in Feb. 1986 Gorbachev made necessary changes in the leadership of Central Committee of CPSU and Politbureau to make his plan of reforms a success. The 'veterans' of Breznev era, "Romanov, Tikhonov and Girishin were to give up their post. But at the regional level it was more difficult to do so as it happened with the Kozakh Party leader Kunaev, whose fall led to disorder in Alma-Ata in Dec. 1986. It was done not to end the clientelism of Brezhnev period. It was more a manifestation of underlying currents within the CPSU. The appointment of Murakhovsky as first Deputy Prime Minister by jumping over three or four other persons, was one such manifestation.
Razumovsky the new head of organization department, in charge of cadres, was an old ally of Gorbachev, new interior minister and Yakovlev new head of the propaganda department of Central Committee of CPSU was appointed because of his personal friendship with Gorbachev. The Gorbachev faction was undoubtedly triumphant at the 27th Party Congress where it consolidated its success by electing a new central committee and the idea of economic transformation and democratization was reinforced, at least in general formulations. Thus the "period of prestroika which lasted from the spring of 1985 to the spring of 1986, can be called a time of struggle within the apparatus." In June 1986 three new politbureau members were co-opted by new leadership namely Slyunkov, Yakovlev and Nikonov, all belonging to the group of Gorbachev.

In the first phase of prestroika Gorbachev tried to mobilise workers around his project of economic reforms via democratizing the party and the new party programme. In the 27th Party Congress Gorbachev highlighted the continued importance of the working class for the acceleration of the economy. He said "we count on the support of working class because the party's policy is their policy." Further, with a view to mobilizing working class against bureaucracy he said at the Trade Union Congress in February 1987, "either democratization or social inertia and conservatism. There is no third way." Underlying the importance of working masses for reforms programme, Gorbachev
addressing the Hungarian workers said, "we see the key to success in the
vital work of the masses and into broadest development of their initiative.
This cannot be achieved without further development of socialist
democracy, which offers the working people a real leading role, the role
of true masters of production, society and the state." But despite the
repeated call by leadership and enacting law to separate the state and
government from the party and laying greater emphasis on party
organizations to work according to their defined respective roles the old
Trade Unions continue to align with management and discouraged any
move of working people uniting from below. Trade union apparatus
adopted the wait and watch policy till the emergence of new movement of
working people in the second half of prestroika. It is because of their fear
of being marginalised that the trade unions perhaps opposed the new law
on labour collectives. Commenting upon the mood of workers David
Mandel said that, "dissatisfaction with existing system is today no less
strong than in the rest of the population. If workers have so far shown no
particular enthusiasm for reforms, it is not because they oppose change.
It is rather that they have doubt in the nature of change that is being
offered to them."

For further understanding the dialectics of workers response to
concrete proposals of restructuring and their impact on workers in the
factories it is necessary to look at the concrete proposals for reforms. The
logic of the markeet reforms was to place the enterprise under to place
enterprise under a 'cost-accounting regime' (Khozraschet), doing away for
the most part with obligatory plan targets, and giving them broad
autonomy to pursue profit within a regulated market context. The state
would continue to plan the economy but through indirect methods i.e.
through control and manipulation of such economic levers as prices,
credit, taxation and competitive state contracts.

This reform ended job security, since layoffs and bankruptcies
become possible. It also put an end to wage guarantees, since wages were
to depend much more than before on the actual performance of the
enterprise, as measured by profit, i.e. what is left from sales after various
payments have been made. The reform provided for two methods of
calculating wages, one more radical than other (radical was officially
preferred but rarely applied).

a) Basic wages were paid as part of fixed costs according to state
norms and so were guaranteed. But bonuses and premiums were
paid out of profits, after other financial obligations had been met,
and thus depended upon enterprise performance.

b) No part of the wage was guaranteed. Wages were paid out of
what was left after meeting other financial obligations. In this
case, the entire wage depended upon enterprise performance as
measured by profits.\textsuperscript{12}
The goal of reforms as often stated was to increase wage differentiation in order to enhance the incentive role of the wages. For this end, reduction of the social wage in incomes would follow which was to be carried by price reform, the reduction or elimination of subsidies and the establishment of user fees for services that were free. 'Levelling' stood officially condemned as economically inefficient and socially unjust. It was claimed that egalitarianism contradicts the 'Socialist-principle of distribution according to labour.'

The reforms thus aimed at tightening things at the shop floor level. The goal was to create a common motivation among managers and workers to discover and release productive reserves, to increase individual and enterprise efficiency. In Gorbachev onwards, "The well-being of workers will depend upon the abilities of the managers. The workers should, therefore, have real means of influencing the choice of director and controlling his activity."

To achieve the above mentioned goal, in spirit of general democratization of social life, the enterprise democracy provided by the U.S.S.R. Law on the State Enterprises' (Association) with its two main features (a) The election of the managerial personnel by workers, (b) and the empowerment of workers' collective councils to participate in management decisions and in monitoring their execution.

The elected management was to express the interests of the state and the labour collective that of workers; but the law did not explain what
would happen when the interests of the state and the labour collective came into conflict. Similarly, the director was elected by the collective but he had to be confirmed by a higher agency, which could force a new election if it did not like the winner.

At this stage the role of trade unions in defence of workers' rights came under scrutiny. The call to revive trade union democracy and to restore the union functions as defenders of workers' interests appeared as strikingly incongruous element. This call was given by AUCCTU Chairman Shalaev at the trade union Congress in February 1987. This also became the central theme of trade union organ 'Trud'. The provision for self-management and elected managers, whose aim was to overcome alienation and foster a real sense of ownership, was meant to obviate the need of trade unions. Even if conflict arose between labour and management, certainly the trade unions could be no more effective in resolving them than labour collective councils, which after all were to be elected by same people and were supposed to passess broader powers. 15

The Impact of Reforms in the Factories

The initial enthusiasm for the election of managerial personnel by workers waned very early. Where workers looked to elections as a means of changing things, they only too often had their hope dashed. The head of the department of ideological work of the Party Institute of Social Sciences concluded, "The participation of workers in the management still remains a wish, a goal, rather than reality. Only 14% of those
surveyed felt themselves the master at work, 39% thought there was no owner (in the sense for the responsibility of the fate of enterprise). The attitude comprises 'wait and see' policy'.

David Mandel citing the 'Trud' of 8 July, 1988 noted that the trade unions, had not responded to calls for change: in conflict between workers and management not to speak of the conflict between workers' interests and that of state, they solidly remained behind the latter. A survey conducted by central trade union council found that only one or two workers out of every hundred would turn to their trade unions in disputes involving wages.16

A worker from Kharkov province wrote in 'Trud', "It is no secret to anyone that trade unions do not always take the side of workers. That may not be tragic if it is a minor issue and not one of principles. But when management takes revenge against a worker for criticism, and the trade union is either silent, or worse, supports the administration?17

According to published reports, Prestroika failed to create in the workers a sense of ownership. Not only it had not reduced their alienation from enterprise management, it appeared to be intensifying their attitude of opposition, a sense of 'us against them'. It did this by breaking down the old basis of collusion under the "command economy" without creating new basis for economically healthy worker-management cooperation.
David Mandel opined, "On circumstances of intensifying opposition and conflict between workers' and management, neither the political leadership nor the enterprise management can really be interested in facilitating independent workers' organizations. Such organization could sabotage the reform, and perhaps even threaten political stability. In private, Soviet social scientists often advocate a firm hand, if not cavaignac, to push through the reforms or else they emphasis the need for a 'responsible democracy' as opposed to what the people, 'unfortunately' want a 'democracy of desires'.18

At the June 1988 Party Conference, convened to discuss democratic reforms, the only speaker even to mention Trade Unions was the Chairman of Central Council of Trade Unions. The theses published in preparation for the conference said nothing about the popular collective councils, which were officially intended as a form of democracy on the enterprise level.

Thus at the end of the first phase of prestroïka, workers even after the introduction of 'Glasnost' or democratic reforms like 1987 law of State enterprises in which election of directors of state enterprises by workers, legal guarantee against the abuse of power of officials, introduction of real secret ballot and multiple member constituency, nomination of candidates from below and independent individual and collective initiative in economic and social life, bore no significant change in the life of workers and power relationship at the work place.
Management apparatus and trade union aristocracy almost strictly adhered to their earlier positions for different reasons. There was much less idealism and enthusiasm among workers who often took a detached and cynical attitude towards authority. "19 Patrick Flaherty said, "bettle lines has been drawn within Soviet power elite. The conservatives are supported by established elite strata whose authority is grounded in basic industries and the directive administrative apparatus, the reformers represents younger professional power elite strata who are bent on overturning the power equilibrium in their favour with catchy economic and political reforms in which workers had little faith, looking for new ways and means to defend their rights."20

The Second Phase of Perestroika: Its Failure

If the first phase of perestroika was marked by the introduction of certain political and economic reforms, invoking enthusiasm among intelligentsia and liberals but certainly not among workers, its second phase ended in utter failure and consequently the division within the liberal political apparatus and politics of rhetoric. It is necessary to analyse its effect on workers in general and Trade Unions in particular.

The first trouble point in the second phase was the implementation of wage reforms and review of skill classification. The wage reform was supposed to be carried out in close consultation with the workers. The skill classification according to government instructions was to take place in two stages. In the first stage, a commission of workers
and management representatives was established. For the classification of skills this commission was to go into the case of each worker individually in close consultation with his or her other brigade members, brigade leaders and departmental head. Only in this way a preliminary evaluation about the skill of a worker was to be made. In the second stage, the worker was invited before the commission and informed of his or her classification in accordance with the new unified skill-rate handbook. If the proposal has a demotion, it was subject to an explanation and the worker was provided with the opportunity to defend, through testing his or her skill level. The wage reforms were also to be introduced gradually, as the enterprise assembled the conditions and the means necessary, in particular those required for raising the basic wage rates, which were to constitute the major part of the total wage, as the share of bonuses and other supplementary payments were declining significantly.

But managers in a hurry to show results, often resorted to old trusted methods. A group of workers at Simsk assembly factory complained to 'Trud', against the manner in which management had recently introduced the reforms. The director called the meeting of the workers, but not to discuss ways of raising productivity and economising on labour, but to get formal approval for the change that had already been decided without the workers' participation. In fact, the director announced an across the board 20% reduction of bonuses and demotion of all the workers to lower skill grades. The vice director of the
department of industrial production and wages of the central trade-union council admitted that in many cases the procedure of reclassification of workers' skill was brutality violated. He said, "the first stage is totally omitted, and the affair begins with an order that the worker is told to sign. This is in total contradiction with the process of democratization of the entire life of our society". A Lavina further observed, "to make the matter worse, this arbitrary and authoritarian approach is after all accompanied by unconcealed discrimination against women. At some factories workers were told to look for work elsewhere if they did not agree with the demotion."

In workers' letters to media and other state organs they often complained, "that the management sought 'malicious joy', 'Why such humiliation' 'they insulted us' etc. "Does the administration really think', concludes the letter, "that it can pass off this force as a restructuring? "Is this what prestroika consist off?" The whole factory is buzzing: so this is the prestroika".

Thus the introduction of the 'Cost accounting regime' designed to restore the 'socially just principle' of 'Payment according to labour', had led to the decline in wages of those workers who were not possessing very high skill. In such situations the labour collectives and trade union councils often condemned the strike and threatened to disband the brigade, or individual workers if strike was to be repeated. They would
often exclude some members from trade unions, this meant, among other things, loss of important social benefits, associated with the membership of trade unions.

The overtime (regulated by law) was often illegal to boot and became another major source of open conflict in December, 1987, the workers of the Yaroslavl’ Motor Factory struck for seven days for reducing the work schedule for Black Saturdays from 15 to 8. There was fierce struggle between management and workers, the labour collective council chaired by director himself ratified the schedule passed by management and so did the Trade Union committee without comment. A poll conducted by ‘Izvestia’ after the incident, 69% of workers respondent approved the Yaroslavl workers’ refusal to work on ‘black Saturdays’. All felt that the cause of strike was dissatisfaction with the organisation of labour, irregular character of production, the poor quality of materials and of the goods produced as a result thereof. This strike showed forcefully that workers held management at all levels responsible for poor state of economy.

The management was not prepared to give workers any real say in running things. Workers, therefore, saw ‘self-management as a trap to get them to take responsibility for failures of management and of the economic system as a whole.

Another important point of conflict was the delayed payment of wages. At Perm Motor factory the workers struck over delayed payment
of wages. The director was also the chairman of labour collective council. When he asked the workers that strike would reduce wages and that they (workers) had their own elected council, a turner replied simply that the "workers do not believe in that council." 27

So what political leaders, managers, economists and journalists portrayed as legitimate attempts to eradicate the injustices of the preceding era, workers viewed it as unilateral abrogation by management longstanding arrangements regulating their mutual relations. The new arrangements often amounted to a deterioration of their immediate situation, and workers had little confidence that they might benefit from them at some later stage. In any case, it appeared to them that they were being asked to bear all the sacrifices. Faced with this, workers in their turn, were abandoning their tolerant attitude towards managerial shortcomings and the widespread failure to observe legal norms. They were encouraged in this by liberalization and democratization. As a result, conditions and practices which workers once grudgingly accepted were also becoming object of open conflict. 28

This is quite a different understanding of the situation from that which one usually gets from social scientists, managers and journalists, who laid a good share of, if not all, the blame on the workers' indolence, indiscipline and corruption.

A new law on enterprises was enacted in 1990 which reneged considerably on the powers given to the labour collectives in 1987 law.
Managerial personnel except for Brigade leaders were no longer to be elected by the collective, the ultimate authority in the enterprise was to pass to a new enterprise council based on parity representation between managers and workers. If the 1987 law was inspired by radical Yugoslav self-management notions, the 1990 law was clearly based on the more tepid example of west German co-determination. When this was informed to Yaroslavel workers' by Leo Panitch and Sam Gindin, visiting soviet factories at that time, there was uproar among the workers. The main reaction was that this was proof of how the system at the centre, despite new parliamentary institutions, remained undemocratic, the same bureaucratic system that delivered decisions from above without popular involvement.  

In this situation when there was irregular supply of raw material, no market or plan (because planing had been abandoned in traditional sense) mechanism existed to determine the prices of the goods and services, there was no effective coordination between buyers and sellers, and scarcity of consumer goods played havoc with the life of ordinary Soviet citizens in 1990-91. A new middleman namely 'Mafia' came into being which comprised, in the popular perception, a growing fusion of the bureaucracy, especially the economic administrator with the 'affairistes' of private sector.  The term most often refers to two principal kinds of related activities. The creation and maintenance of shortages by monopoly structures, and the illicit transfer of state resources and funds
into private hands. Both involves the collusion of administrators of the state sector with the 'shadow' economy, itself often indistinguishable from the legitimate private sector.

Besides economic gains, the shortages also played a very useful political role (in such situations) for those interested in maintaining popular quiescence. People were so pre-occupied with their material struggle for survival that they had little time or energy for sustained political struggle. This is not to say that shortages were the result of conspiracy, though in some cases this hypothesis should not be dismissed. Because, as and when political tensions rose dangerously, the scarce goods were suddenly "thrown out" in the market.31

As the shortages grew more serious, the practice of selling 'defitist' directly in the enterprises had expanded. This was a common and quite effective tool in the hands of administration for reinforcing the workers' dependence. A worker who spoke against management might miss out. At the sametime there were never enough goods around, and the squabbling who was to receive what could seriously undermine solidarity within the collective. This practice had also a deeply corrupting influence on workers as they resold those scarce goods at a large profit in open market.

Leonid Sukhov, a taxi driver from Kharkov and member of the U.S.S.R. Parliament, expressed a widespread view when he suggested that 'someone' is consciously creating a desperate situation with the aim
of preparing the workers psychologically to accept any reform, including the market. The "Democrats" argued that they lacked real power to change the situation. And, while there was much truth to this claim, they had done little to mobilise the population in order to change the correlation of forces. There was general reluctance on the part of "liberals" stemming from their ideological orientations as well as from more concrete political consideration, to apply 'administrative' methods - the only one that could be effective against 'Monopoly' - to rein in the "Mafia". As Vasily Leontieff has argued, Today's Mafia is tomorrow's class of "civilized" capitalists.

Direct robbery of the consumers was only one source of "Mafia" profits. Parallel to this, was theft from state in the form of Pocket Cooperatives, and joint ventures set up by enterprise management for the illicit sale abroad or to the private sector, the raw materials and semi-manufactured goods.

Sub-contracting work to cooperatives was a common way of turning non-cash credits into cash. The transactions between state enterprise and cooperatives, (which were non-state enterprises), cash was paid out of the account of state enterprise by bank, allowing the state managers to receive kickbacks or salaries as member or employee of the cooperative. There were also fortunes to be made in foreign dealings. Most of the Moscow, "joint ventures" construction companies were too busy in importing and selling computers. As a Minister in the Latvian
government put it "Cooperative and joint ventures are often oriented not towards the production of consumer goods but, towards their redistribution. From the state's pockets to their own. That is, if we are to call things by their name, they are involved in speculation on a very large scale.  

Party apparatus was using its connections and illegally accumulated wealth to go into business. For example in Leningrad, the once mighty regional party apparatus had been reduced to 37 people. But they kept busy renting out offices to cooperatives, private banks and Foreign companies, even in Smolnyi Institute, an historic landmark and prime piece of real estate that rightfully belongs to people. They have also turned one of the committee's hotels into a joint venture.

In December 1990, 3 members of District Soviet in Moscow publically accused its chairman, Ilya Zaslavaski, of "organizing monopoly structures, as similar to classic 'shadow' formations as two peas in a pod... Judge for yourself: The chairman of district soviet, Chairman of its executive Committee, and almost all his deputies, having become heads of district political structures, are at the same time directors of cooperatives, commercial banks and firms.

Role of Official Trade Unions

The official trade unions in U.S.S.R. were always directly enmeshed in ruling apparatus. There leadership was secondary, but by
no means entirely powerless element in the bureaucracy. They were conveyor belts downward to the workers of party, ministerial and managerial decisions, recruiting station for those who showed the inclination and aptitude to rise in hierarchy; organizer of workers' passivity amidst ersatz display of mass support.

As Boris Kagarlistsky observed, "today, the central trade union apparatus, the AUCCTU is widely regarded as an 'empty shell' and workers perceived it harmless and irrelevent". The central apparatus had lost considerable power to Locals i.e. new independent workers groups and unions to which we shall come in the next chapter. The national leadership knew that it must evolve a new role: "we are the first year students in how to act as trade unionist," Alexander Kashirin, President of the Central Committee of autoworkers union said. They were caught, in a pincer movement between their declining power in the party and vis-a-vis the government, on the one hand, and the local unions' assertion of their independence on the other. But central leadership had accepted market economy' in principle, saying "there was no alternative." There is a confirmed report in western media that leadership of AUCCTU played an important role in the decision to hold a referendum on the price reforms. Most significantly the AUCCTU leadership only timidly opposed the new law on enterprises despite the fact that it considerably retracted the democratic powers that workers had formally been accorded in 1987
law. In very similar terms the deputy director in auto diesel enterprise at Yaroslavl said, "Collective Council in the enterprises are no longer needed." 

It was very clear that the official unions, at least at national level had defined their role in terms of alliance with the managers. The AUCCTU accepted in 1990 the law on strikes which went well beyond the Canadian labour legislation in restricting the right to strike. Kashirin told Leo Panitch that "we see strike as a measure of last resort, each strike hurts another part of working class". But the abolition of industrial committee of Regional Party apparatus which was a locus of party control over union and enterprise paved the way for transition of unions at local and enterprise level.

In March, 1988 the drivers at Saratov transport enterprises struck work for the non-payment of wages after introduction of wage reform and cost accounting. A party meeting placed the blame with management. The trade unions and party organizations, who in the past reconciled themselves to indiscipline and poor work and now failed to prepare the workers for the shift to cost accounting. These and many instances quoted above clearly impress that during Prestroika(1986-91) the role of official trade unions was of alliance with Party and management and skepticism towards new workers’ initiatives. In this period there remained no possibility for new real departure. It was only after the collapse of erstwhile soviet union in August 1991 the situation
changed dramatically. In the following pages, it is attempted to demonstrate that workers' remained alligned to one or another faction of the CPSU.

At first when Gorbachev took over he and his allies were seen confident that they could use the regime crisis proactively to establish a hegemonic relationship between a streamlined state and insurgent strata of an elite generation frustrated with stylized politics and impatient for liberalization which would at last free them to flex their potential formidable political muscle. For this purpose Gorbachov never lost an opportunity to scold audiences of an obdurate administrative elite that his government would not shrink from 'revolutionary' reforms.

Reform proponents could marshal a battery of alarming data to demonstrate that Soviet economy is faltering dangerously within its present organisational parameters. An influential economist said that the average yearly combined growth rate of the accumulation and consumption funds had tumbled from 7.2 percent to 3.1 percent over the past two decades, and an immediate declining in living standards had been averted only by shifting capital from investment to consumption.41

One Soviet official complained that the value of yearly waste in a single metallurgical combine in his district was equivalent to three times the annual housing construction budget for the entire area, and only 4% of this scrap was recycled.
Despite this sort of economic citation (which were real) Gorbachov and his team started Glassnost with (earlier discussed) political measures, including reshuffling of CC of CPSU and politburo. Alexander (Iakovlev started calling Soviet Society as 'developing' or 'Advancing socialism'. The crisis could well be seen as techno-economic professionals finding new ambitious place in society and politics by replacing or displacing the generalist with non-professional education who constitute about 25-30 per cent of Party apparatus. The first point of struggle between political elite in economy when liberals encouraged the horizontal relationship between local enterprises marked a pivotal and probably decisive break through for the proponents of extended marketization within reform camp. The old Guard resisted enterprises being granted the right to choose their own suppliers and customers because without the planning at local level it could create panic at all level.

A. Lukianov who was the Gorbachov brainstrust in his earlier period parted with Gorbachev. Yeltsin's Vulture capitalism started making enroads into Russia. A recently promoted member to politbureau in 1985, Edward Sherardnedze refuse to speak on policies of general secretary. He said, "My Georgians do not see towards Moscow for help". So during the first twenty months of his new deal, Gorbachev deplored the sullen resistance his policies had encouraged, and transferred cadre from post to post. Then having realized more quickly the missing 'human
factor' he called upon Soviets to take part in life of their factories, local soviets, and last but not least - the party itself by participating in elections. The conservative apparatus thrown its full weight of enertia against it by not acting at all. By the 27th Congress the old Brezhnevite sidelined by Gorbachev and his associated in CPSU. But in the subsequent years there existed two camps within reformists, and other small groups like "socialist party" and Marxist Platform'. In the election of local Soviets in summer 1987, among those who failed at elections were regional committee secretaries, Chairman of executive committees of Soviets and their deputies. 'Several' leading candidates made it into the Soviet with difficulty their fate being decided by a majority of one or two votes.

After the January 1987 Plenum of Party, political situation was suitable for the left. It was able to attract a growing number of people to its rank. The swift growth of informal associations began back at the end of 1986. The club for social initiatives, (KSI) and Prestroika club in Moscow became center of attraction. The spasenie (Salvation), For post (out post) were another groups. By the summer 1987 it was already possible to speak of mass movement in which thousand of people taking part in various regions and country. In August 1987 (KSI) held a conference in Moscow of 52 leading progressive groups and founded a Federation of Socialist Social Clubs (FSOK). It declared in favour of socialist pluralism, self-management of production, and the
democratization of planning. They also demanded the abolition of censorship and rights of clubs to stand their own candidate in election. The club unanimously declared that reforms must be carried out without a drop in worker's living standards and must maintain social provisions for cheap accommodation, free medical care, full employment etc. The stress was laid on the dangers of triumphant technocracy and of a substitutes of market fetishism for plan fetishism.45

On October 31, 1987 Yeltsin was forced to resign by A.Lukyanov and his alliance partners. In turn several conservative minded officials saw a chance of counterattack, several of club officials and workers were forced to abandon their job. It became extremely complicated to engage in any activity on an official basis. Later in 1988 Yeltsin was restored by Gorbachov himself. The conservative group in the apparatus was seriously frightened by the growth of left activism after the events of August and November, 1987.

With this, many representatives of the 'New generation' of apparatchics... were inclined to consider the fundamental task of prestrouka fulfilled and to regard with apprehension any 'experiment' which might threaten their hard won prosperity.46 The technocratic ideologists had suggested methods which, under a Veneer of radicalism, were completely acceptable to bureaucracy and had also proposed the retention of traditional structure within the economic and political system of society. After the fall of Yeltsin the technocrats and Stalinist
began to act more often as a united front, propagandising for a rise in prices, and for the elimination of those figures who, in their opinion, were to far to the left and on whom they have pinned the label of 'Vanguardism'. In January 1988 well known Soviet Economist V.seliunin wrote that two years of prestroika has revealed the bankruptcy of fundamental concepts of official economic science. Now structural shifts are required in the economy it is necessary to turn from work for its own sake to people and their needs.

But there remained a situation of uncertainty in Soviet political climate the balance of power situation remained like pendulum between different factions of CPSU and some newly formed organizations. As the economy went deeper into the crisis different factions within ruling elite played political football, with agony of the people. As government announced a "500 days plan' for "Basic orientation for the stabilization of economy and transition to a market economy," both allowed all forms of property and neither make specific provision for self-management, let alone for ownership or control by the work collectives. The conference of work collective council in September 1990 demanded that they (workers' collective councils) should be the one to choose the appropriate form of property for their enterprises. They discussed two forms (1) They could became owner collectively without paying the state, or (2) they could decide that enterprise remain state property that would be managed by council.
In this uncertain transitional phase political leaders of all hues tried to get the mass support by suggesting different methods of crisis resolution. In this case political leaders, economists and commentators felt the threat of populism when Yeltsin said his own path to market does not mean rising prices, he did not reveal how, yet the population believed him.

This was a right wing populism no matter what the political slogans. It seemed that right wing populism with big mass support, racketeers, mafia, in a single word the whole degenerated lot of liberal technocratic apparatus with right wing press and intelligentsia came together to guillotnised the whole of the society. In an interview with Yeltsin, following a cravan market line, 'The Moscow News' did not even ask to clarify how he could concievably introduce the market without rising prices and effecting real incomes. 'Moscow News' even published an artical making an absurd claim that there was no capital accumulation in Sweden.50

So the Coup and Counter Coup of August 1991 can be seen in terms of struggle between right wing populism which made millions of working people destitute in coming years and between those who wanted to keep the market brutalities under curbs.
NOTES


2. This programme was formulated in Samizdat Journal ("Socialism and the Future) Levyi Povorot 1980.


9. CDSP, 10th June, 1986.


13. Ibid. page 108.


19. Terry, Cox; "The U.S.S.R. under Gorbachev: The first two years." Capital and Class.


29. Leo Penitch and Sam Gindin. 'Perestroika and Proletariat' Socialist Register 1991, p.49.


39. Ibid. p.36.


47. Ibid. p.82.

