

THE WOES OF FARMER ANDROPOV

by Dmitry Mikheyev

Soviet newspapers are filled with the most interesting stories—particularly on the first and second pages, which are devoted to the Soviet economy. Four subjects dominate these pages: food problems, discipline problems, and management and transportation problems.

Mr. Andropov has inherited difficulties beyond imagination. As the head of the world's largest corporation, he is burdened with a host of interrelated economic, social, political, military, cultural, and diplomatic problems. Within this context, the possibility of implementing change—to say nothing of reform—is virtually nonexistent.

The most urgent problem of all is agriculture. In fact, the Soviet leadership agrees with Western observers that something must be done about the breakdown of the Soviet agricultural system. All obvious courses of action fall into two categories: tightening the screws or easing Party control over agriculture. We will consider the effectiveness of and difficulties involved in taking either of these routes.

THE FARM COMMUNITY

There are 46,000 state and collective farms (*kolkhozes*) in the Soviet Union, each with approximately ten thousand acres of arable land and a population of about twelve hundred, five hundred of whom are workers. (The farms of the Ukraine and Kazakhstan are different, but the basic pattern is the same.)

Eighty per cent of the total farm population and 95 per cent of the workforce live in the main village. The rest are scattered among dozens of small villages of three, five, or a dozen houses. These villages are populated mostly by the elderly and are lacking in such basic conveniences as running water, roads, and, in some areas, even electricity. In contrast, the main village has a post office, school, medical center, stores, a movie theater or "*kolkhoz club*," a bus station, water tower, service station, and the like. This main village, where all local Party, farm, and police authorities live, is virtually the capital of a small state.

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The structure of the farm community is a microcosm of the Soviet empire as a whole. The *kolkhozniks*, especially the younger ones, have the same desire to live in the main village as the rural population in general has to live in the big cities. This is due mostly to the total absence of services and therefore the necessity of providing everything for and by oneself. There is too a pervasive, depressing sense of cultural isolation.

This system has been cultivated by the Soviet leadership for exactly half a century, and it must be taken into consideration regardless of what type of agricultural reform is chosen. The famous experiment of the '60s, which saw construction of four or five-story buildings with city-like conveniences, was not the dream of a utopist, nor was it based on a desire to destroy agriculture. On the contrary, the Party was concerned about the drain of the peasantry to the cities and hoped that, by providing them with city-like living conditions, it could keep the peasants "where they belonged." It is also easier to control the peasants when they are concentrated in relatively large settlements rather than scattered around the countryside. All these considerations led to one inevitable result: The number of farms decreased from 243,500 in 1937, each with 76 households and 1,500 acres of arable land, to the 46,000 of today.

Of the five hundred people in the average *kolkhoz* workforce, roughly a hundred are "mechanizators," or skilled workers: truck and tractor drivers, agronomists, mechanics, engineers. The rest have no particular skills and are primarily women, who, for various reasons, outnumber men two to one.

Each household has at its disposal roughly one acre of adjacent land. Each has one or two hogs and between two and three-dozen chickens. Every second household keeps a cow, and some keep sheep or goats. There are no cars, but every tenth household has a motorcycle.

PRIVATE CULTIVATION

If we suppose that there are no political obstacles and that the leadership is willing to reform the existing system, what are the options for a reformer and what technical problems will he face?

The most often suggested and most obvious kind of reform is the expansion of these household plots. In support of such reform, most writers refer to the truly impressive

fact that 60 per cent of the potatoes produced in the Soviet Union come from privately cultivated plots. It is obvious to them that productivity on the private plots is ten or so times higher than on the *kolkhoz* fields. This is a common mistake. The productivity of a farmer who is cultivating his garden by hand is actually several dozen times lower. Expansion of privately cultivated plots is by no means the way to resolve the problems of Soviet agriculture.

First, it must be pointed out that the privately cultivated plots are not in the people's private possession. They are rented from the government and "belong to everyone"; they cannot be sold or inherited. Second, the time when the Party objected to the private cultivation of land is past. In the last six years the Party has introduced a score of rules facilitating and encouraging production on private plots. The results of this more liberal policy have not been spectacular: The food supply to the *kolkhoz rynok*—the farmers market in the city—has been steadily declining for many years, and even an increase in private production could not improve the rapidly deteriorating situation in centrally planned agriculture.

At the moment the Party, more than any other body, is interested in stimulating production on the privately cultivated plots. As Mr. Andropov said on April 18: "There is no excuse for the fact that many households in rural areas do not keep cattle." The latest decree permits the peasants to keep horses for the first time in the fifty years since collectivization. It does not, however, indicate how peasants are going to feed these horses. As it is, they must buy bread to feed their hogs.

It is a mistake to think that, by allowing farmers to double or triple their plot sizes, the Party can resolve the food problem. There is a great difference between manual cultivation of backyard plots and market-oriented entrepreneurship. To begin with, the land would have to be decentralized, which would require a fundamental ideological shift.

Millions of Soviet peasants and workers in the provincial towns are cultivating their plots out of dire necessity: to guarantee themselves a minimum of food, which is unavailable through the government store. They abhor this burden and do everything possible to avoid it. Only a small portion of those who cultivate their plots can profit from them, since most farmers have no access to the big city markets; there are neither cars nor roads. Much of what is sold at the *kolkhoz rynok* is not produced on peasant plots but is stolen from the government stores and resold at a handsome profit.

PRIVATE FARMS

We Russians living abroad often fault the Germans for what we feel was an unforgivable mistake during World War II: not disbanding the *kolkhozes* soon after they occupied European Russia. There are many things the Nazis can be blamed for, but mismanagement is not one of them. They desperately needed Russian bread, and they were very much aware of the advantages of private farming.

Russian agriculture during the war, particularly in the occupied territories, lost horses and men to the front, and many machines were destroyed. Soviet agriculture today is in essentially the same state. Mr. Andropov, or whoever else attempts to reform Soviet agriculture, will face much the same problem that Hitler did forty years ago: the ab-

sence of an infrastructure of horses and men, and this despite the fact that Soviet agriculture has available an abundance of machinery and an army of "specialists" more numerous than all American farmers taken together.

To begin with, because the machinery is huge, highly specialized, and uneconomical, no individual farmer could afford to maintain and operate the complement of machines necessary for farming. Second, in the present centralized system, *kolkhozniks* live at a considerable distance from the fields where they work and must be transported to them daily in three-ton trucks. If they are to receive their own plots, they will have to move closer to them, which means five to seven miles from the "capital" of the *kolkhoz*—from the post office, hospital, school, and electricity. It is reasonable to think that only the strongest families would take the risk of leaving the *kolkhoz*.

Twenty million of the total 26 million *kolkhozniks* who are unskilled laborers could be partially subsidized if a reform provided individual farmers with adequate working conditions and they could be persuaded to risk the uncertainty and hardships of an entirely new life. But apart from such fundamental problems as transportation and housing, there is another, paramount problem that goes beyond agriculture and requires restructuring the whole economy.

SPARE PARTS

Soviet industry turns out twice as many combines and three times as many tractors as do American manufacturers. Why, then, with such a large and powerful fleet, did the Party allocate 2.2 times more money in the current five-year plan than in the previous one for the production of yet more and bigger agricultural machines? The answer is "quality."

An average Soviet tractor operates a mere 8.5 hours before breaking down for the first time. In comparison, the average American tractor operates three hundred hours before malfunctioning. A Soviet machine operator spends 60-70 per cent of his time *under* the truck or tractor. As a result, ploughing takes twenty-five days instead of ten, sowing takes seven rather than three, harvesting twenty-seven rather than seven. Due to the prolonged harvesting time, almost half the grain that goes into storage is overly wet, which results in rotting and in mycotoxins.

There are three reasons why Soviet machines do not work; bad quality, bad service, and lack of spare parts. All three stem from the flaws of a centrally planned economy and have nothing to do with the national character of the Soviet people.

Of particular interest is the problem of spare parts—which by itself proves that a contemporary economy cannot be run by a single ruling body. Many machines are assembled from hundreds of thousands of parts, yet often even a single part is crucial to a machine's functioning. To provide regular delivery of spare parts, the State Planning Committee (GOSPLAN) must plan production and distribution of several hundred million parts. Moreover, GOSPLAN must take into consideration the great variety of soil, climatic, and other conditions affecting the use of machines in different sections of the vast country.

About twenty years ago Soviet economists were excited at the opportunity offered by computers. They envisioned a supercomputer that would do all the planning, with every factory connected to it through a terminal. The euphoria

quickly subsided, however, as it became clear that the people who provided the input for the computer had to be scrupulously honest if the data was to be of any value.

So how does GOSPLAN deal with the situation? Very simple: It does not plan the production of every part but only the most vital ones, preferring instead to send a second and sometimes even a third tractor as a full package of spare parts for the first. Unfortunately, even this method does not work. First, a new tractor cannot be obtained until the following year. Second, some parts have a tendency to break many times during the lifetime of the machine, while others last indefinitely. Consequently, every *kolkhoz* has hundreds of parts it does not need and a desperate need for certain others—leaving some 60 per cent of its machinery sitting idle at any one time. Soviet farmers are reduced to manufacturing the parts themselves or swapping and buying parts on the black market. One can only imagine the price and productivity of these handmade machines.

But who will manufacture spare parts for individual farmers? Obviously, private farming cannot exist without a market of spare parts and machines. This means that a market relationship must be introduced not only for farmers and manufacturers of agricultural machinery but for the whole economy as well.

Almost five years ago the Party issued a decree that, from a purely economic point of view, was amazing. Brezhnev's "Food Program" of 1982 confirmed this decree, which obligates every factory and enterprise in the country to establish an ancillary farm. That is, each factory must have an animal farm to breed cattle for food for its employees. These ancillary farms acquired the status of an additional department of, say, the steel-rolling mill or the tank factory. The enterprises were permitted to hire some agronomists and animal technicians, but the bulk of the work was supposed to be done by the enterprise's employees.

There were reasons for this seemingly absurd innovation. One was the problem of spare parts and the servicing of agricultural machinery. The Party decided that the industrial enterprises could take better care of the machinery. A second reason was to produce food for midlevel Party functionaries. A third was to give management another means to retain their employees, that is, through food distribution. A fourth reason was to utilize those skilled peasants who manage to escape from the *kolkhozes*. The plan would also make the manufacturing enterprises more independent and self-sufficient in case of a major interruption in the central food-supply chain. One consequence of all this is that today's director of a large enterprise has many available resources—industrial equipment, including building construction equipment, and agricultural equipment and food resources—that greatly enhance his ability to operate on the black market.

It is noteworthy that ancillary farms existed during World War II, when factories had to carry on with the production of military equipment under any circumstances. The reintroduction of this system implies a crisis in agriculture today.

A BOLD REFORM

It is estimated that the enterprises of the USSR have a combined worth of about 200 billion rubles in materials,

spare parts, and idle equipment that they retain "just in case" or for exchange. On the other hand, it is admitted officially that the Soviet population has about 200 billion rubles in savings in government banks, and probably even more is kept under mattresses. Technically, a bold reformer need do only one thing to put these various resources to use: turn the black market into a free market, that is, make it permissible to sell spare materials on the open market. In the initial stage of the reform, even the five-year plan's quotas could be left intact, but enterprises would be allowed to produce consumer goods and to put them on the market. Then, each year the quotas would be reduced and the difference made up in taxes.

Remarkably, this reform would not require any investments or reorganization of management, at least not in the initial stage. But it would be a revolutionary step and would signal the end of a whole era. It would mean the Party's relinquishment of all its pretensions of playing the leading role in the lives of the Soviet people. A recognition of the supremacy of market forces over the genius of the Party's leadership would mean not only the passing of Marxism-



Leninism but also the humiliation of a state that now would have to go to the market to buy those things it once took for free.

Of course the ruling elite, which controls enormous resources and feels no real internal threat, will not voluntarily surrender and dismantle the sixty-six-year-old system. They are realists; they are not the fanatics the Bolsheviks were. It is far more likely that in confronting its agricultural problems the government will resort to flexing its considerable muscle. Put simply: "You do not want to work, and you want to steal instead? Well, we will show you, for your own good...." The question is how far they can go and how effective their methods of coercion can be nowadays.

A NEW TERROR?

One must not forget that strict discipline is as much a cornerstone of a centrally planned economy as the interaction of supply and demand is of the free enterprise system. East Germany's economy has been relatively effective only because a sense of discipline is deeply ingrained in the German national character. But this quality is social and cultural rather than genetic, and it is beginning to disappear in East Germany, causing serious problems for its economy.

Fully aware of the crucial role of discipline in the efficient functioning of a centrally planned economy, Stalin tried to "educate" the Russian people through the introduction in 1931 of a code of Draconian labor laws: "You

came fifteen minutes late? You get five years in prison camp. You have stolen a potato? You'll get a year for every kilo." Stalin's code was relatively effective because not only did it maintain order and discipline but also provided an almost free labor force for the new industrial projects in Siberia.

In order to keep today's economic system working, Andropov would have to impose labor laws twice as strict. There are two reasons. First, the control of quality, a basic component of modern technology, is much harder to impose than is control over the quantity of production. During the past twenty years Soviet economists have experimented with different numbers of control indicators. When they tried only a few control indicators, production grew—at the expense of the variety and quality of the products. When the number of basic control indicators reached ten or twelve, quality improved somewhat—but plan quotas were not being fulfilled. This is exactly what has happened during the past decade. Today, however, the number of control indicators cannot be reduced due to the requirements of modern technology. At the same time, the Soviet Union lacks the labor resources to triple the number of controllers.

Secondly, appropriate production discipline is much harder to impose today because of the "education" the Soviet population has obtained in dealing with the authorities: The Soviet people have become extremely skillful in avoiding all kinds of restrictions.

Even if Andropov or his successor decides to triple the number of prisoners, to fifteen million from the five million of today, what can he do with them? Their productivity is scandalously low, even by Soviet standards. They are certainly useless for high technology. And for projects such as the Siberia-Europe gas pipeline, there is already a sufficient number of slaves. In other words, even if Andropov has the will, determination, and support to bring about his own reign of terror, it will not help him to resolve the basic problems of the Soviet economy: productivity and technological advancement.

And what of his *most* urgent problem: the feeding of the Soviet population? It is doubtful that terror can boost agricultural production. Historically, two waves of terror—1919-21 and 1929-32—led to famine. (It should be noted that it was in 1932 that the first ancillary farms were established.) Khrushchev's attempt to deprive the peasants of their individual plots resulted in a drastic decline in the food supply and eventually in the Novocherkassk food riots. What can the leadership do now? Encircle the *kolkhozes* with barbed wire? That cannot be effective so long as *kolkhozniks* are entrusted with tractors and trucks.

Partial economic liberalization would only lead to what the Soviet leadership perceives as the chaos and anarchy of the black market. Radical reforms are impossible for political and ideological reasons. New Stalin-style terror is impossible technically and psychologically and, in any event, does not offer a solution to the cardinal problems of quality, productivity, and technology. There is no alternative but to maintain the status quo and try to resolve the most immediate problems by palliative measures. These could include a little bit of everything: some demonstrative moves against corruption, campaigns for labor discipline, and reorganization of management. At age sixty-six, the Soviet economy is reduced to muddling through. [WV]

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