

Gorbachev gets radical

More rabbits keep popping from Mikhail Gorbachev's well-stocked hat. The latest surprise: Gorbachev's proposals for major structural changes in the nation's economy. Changes Gorbachev aptly described as "radical." If enacted, they could shake up Soviet society like nothing since the 1930s when Stalin turned Russia into a giant forced labor camp.

Think of the creaky Soviet economy as a mammoth version of the postal system. Soviet workers tend to be lazy, inefficient and dedicated to featherbedding and absenteeism.

"They pretend to pay us," goes the old worker's refrain, "and we pretend to work."

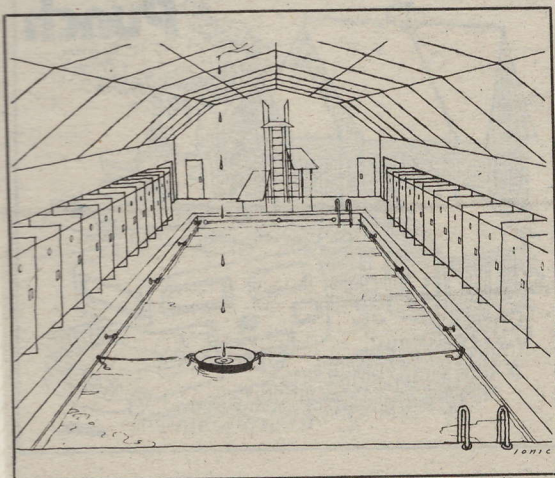
With the exception of highly efficient Soviet defence industries, most of its factories and service organizations turn out low-quality products that appear to come from the poorer parts of Africa and Asia, not from the world's largest and most resource-rich nation.

Three factors, besides too much military spending, are primarily to blame for the USSR's low productivity, sloth and lack of consumer goods. First, rigid central planning that can't cope with a complex industrial society. Second, the party's determination to retain fixed prices for staple goods. Third, the religious dogma that unemployment must be avoided at all costs.

Gorbachev is now making the truly radical proposals that all three of these shibboleths be modified or abandoned. He wants planning to be decentralized out to factories, with Moscow providing only a general, strategic direction.

This is similar to the way industry runs in Japan, that most capitalist of nations. Fixed prices must be eliminated, Gorbachev holds, to reward efficiency and promote adequate supply. He clearly understands what three past generations of Russians have not—the law of supply and demand. Fix the price of goods too low, and shortages inevitably ensue. The disastrous effect of rent control on Toronto's housing market is a fine example.

Punch



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The spectre of prices going up—particularly on basics like food and rent—already has Soviet housewives in a tizzy. Bread, for example, has remained at the same price for over 30 years. The Soviet people are hardly ready to see their economic world stood on its head.

By raising key prices, Gorbachev is hoping to end the ubiquitous queues that are the curse of all socialist economies. Some socialist economists estimate that consumers and workers in the Soviet Union and East Europe spend 35% of their time lining up to buy everything from newspapers to shoes. Too busy shopping, say cynics, to revolt.

Finally, there is the explosive question of unemployment. When confronted with the undeniable economic backwardness of their system compared to the west, Russians always fall back on the argument that they have no unemployment. This may be generally true, but near full employment has been bought at the price of overstaffing and disguised unemployment.

People are given jobs doing essentially nothing and wander about listlessly like industrial zombies. Here, it would be interesting to compare the Soviet and Canadian postal systems.

Strikes, by the way, are not allowed in the USSR and, until fairly recently, workers could not change jobs without party permission.

A 19th-century Russian writer was right when he predicted, "socialism will be the serfdom of the 20th century."

Back to the present. Gorbachev is now suggesting that some inefficient workers will be laid off and chronic money-losing factories be allowed to go bankrupt. Intensive retraining programs will be run for laid-off workers, Gorbachev promised, sounding a lot like one of our own politicians faced with a major plant closing. All this makes sense, but how will Soviet workers and housewives react?

Most of the peoples who make up the polyglot USSR are deeply traditional and wedded to the "old ways." Gorbachev may have been able to get away so far with shaking up the communist party, armed forces and bureaucracy. Now, I suspect, he will run into his greatest challenge—as has every other Russian reformer who has tried to alter hidebound Mother Russia. Whether under Czarism or Marxism, Russians don't like to change.

And workers, whether in Minsk or Montreal, rarely greet plans to make them work harder, longer, or more efficiently with cries of glee.

More fascinating watching. Good for Gorbachev who has managed to transform the unspeakably dull topic of economics into high drama. If he is successful in the USSR, maybe we could convince him to tackle Canada Post.