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ЗАХІДНА ІСТОРІОГРАФІЯ ГОСПОДАРСЬКОЇ РЕФОРМИ У СРСР 1965 Р.
Western Historiography of the 1965 Economic Reform in the USSR

The article studies the most important tendencies in the study of the 1965 economic reform in the USSR by Western scholars. The author shapes achievements, main ideas and features of the Western historiography of the problem.

Analyzing the development of the economic mechanism in the USSR, Western economists, as a rule, relied on the concepts of «Soviet type economy», «command economy». Most of them did not believe in the possibility of self-transformation of the Soviet economy into a kind of market economy. Many Sovietologists (and first of all representatives of neoclassical and neoliberal directions) proceeded from the thesis that it was impossible to create an effective economic mechanism without the USSR’s rejection from the directive centralized planning and management of the economy. Not denying that such planning played a positive role in solving the problems of industrialization, Western authors usually emphasized that in the Soviet economy, planning authorities were not able to predict everything and process all information coming from economic units, as well as to exercise an effective control over the fulfillment of plans. Many foreign analysts were convinced that there was an insoluble contradiction between economic democracy and centralism. Therefore, almost all concrete measures for reforming the economic mechanism, which were carried out in the USSR during the investigated period, were considered inconsistent.

The most radical attempt to reorganize the economic mechanism in the USSR in the second half of the 20th cent. was the economic reform of 1965. Western scholars devoted a lot of research and commentaries to this reform, which is quite understandable both in terms of the tasks facing the Western Sovietology in that period and the expectations this reform generated in our country and abroad in the first years of its implementation. The attention of foreign economists to the economic reform of 1965 was largely justified by the fact that taking it as an example it was possible to study the fundamental problems associated with the functioning of the Soviet type economy, to answer the question on the possibility of «peaceful coexistence» of elements of centralization and decentralization in the Soviet economic system.

The merit of the Western authors in the context of this problem is the formulation and discussion of the prospects of the USSR disintegration. There are three main points of view as for this problem. The first of these is that during the period under study, there were certain objective prerequisites for the USSR dissolution, which were manifested in economic nationalism, localism, strengthening of “national elites”, interethnic and interregional contradictions. Proponents of the second point of view believed that in the near future the USSR dissolution was unlikely, since the leadership of the country sufficiently took into account the interests of republics and regions and pursued the course of centralism strengthening. The third point of view stated that in the medium and long term, both integration and disintegration processes in the USSR could be strengthened.

Thus, foreign literature was dominated by the point of view that the USSR dissolution in the near future was impossible and, therefore, Western analysts couldn’t predict this process. However, they were in many ways right, pointing out that the main threat to the existence of the Soviet Union as a single state was related not so much to economic contradictions but to the interests of the «national elites».
Thus, the central idea of many neoclassical and neoliberal interpretations of measures to improve the economic mechanism of the Soviet economy of the second half of the XX century was the provision about the impossibility of creating an effective economic mechanism in the USSR without giving up direct centralized planning and control. Many Western scholars argued for the existence of an inscrutable contradiction between economic independence of enterprises and centralism. Therefore, in their opinion, practically all measures for reforming the economic mechanism in the USSR during the investigated period were logically contradictory. The economic reform of 1965 was no exception. The problem of the contradictions of the economic reform of 1965, as well as other measures to improve the economic mechanism that took place in the USSR in 1965–1985, needs further investigation. The merit of Western scientists lies mainly in its specific formulation and the first objective attempts to solve it.

Keywords: USSR, industry, working class, economy, economic reform of 1965.

The topicality of the research question is due to the fact that the historiographical development of any problem in modern times is incomplete without analyzing the achievements of foreign historical science. Democratic conditions for the development of the historical science in the Western world and the absence of economic obstacles became the main condition for the high efficiency of foreign scientists’ scientific work in the XX century. In addition, the entry of the domestic historical science into the global scientific space requires a comprehensive and complex historiographic studies involving the entire array of available sources, but not just using domestic works. The study of changes in the system of planning, management and economic incentives in the USSR was one of the most priority directions in the Western Sovietology of the second half of the 1960s — 1980s. This is quite understandable, since the results of the economic rivalry of socialism with capitalism, competition of the USSR and the West largely depended on the effectiveness of the Soviet economic system. Increased foreign analysts’ attention
to economic reforms in the USSR in the second half of the 1960s — the first half of the 1980s was also due to the fact that the USSR and Western countries were in the state of “cold” war for many years. The influential circles of the West were not interested in strengthening the economic power of the USSR, but there were also many of those who attached their hopes of easing tension between the East and the West to the reforms in the USSR. With this in mind, American Sovietologist S. Cohen wrote that “the struggle between friends and opponents of the Soviet reform is also the struggle between friends and opponents of reducing tension in the Soviet Union and the West” (Cohen, S. 1985, p. 157).

Among the problematic historiographic studies, thematically identical to ours, special attention is drawn to the works of A. Atamanenko (Atamanenko, A. 2013), D. Nefyodov (Nefyodov, D. 2018), O. Yas (Yas, O. 2005).

The purpose of the article is to characterize the major tendencies in the study of the USSR economic reform in 1965 by Western scholars, to shape the achievements, main ideas and features of the Western historiography.

Analyzing the development of the economic mechanism in the USSR, Western economists, as a rule, relied on the concepts of “Soviet type economy”, “command economy”. Most of them did not believe in the possibility of self-transformation of the Soviet economy into a kind of market economy. Many Sovietologists (and first of all representatives of neoclassical and neoliberal directions) proceeded from the thesis that it was impossible to create an effective economic mechanism without the USSR’s rejection from the directive centralized planning and management of the economy. Not denying that such planning played a positive role in solving the problems of industrialization, Western authors usually emphasized that in the Soviet economy, planning authorities were not able to predict and process all information coming from economic units, as well as to exercise an effective control over the fulfillment of plans. Many foreign analysts were convinced that there was an insoluble contradiction between economic democracy and centralism. Therefore, almost all concrete measures for reforming the economic mechanism, which were carried out in the USSR during the period study, were
The most radical attempt to restructure the economic mechanism in the USSR in the second half of the XX century was the economic reform of 1965. Its concept was formulated in the decrees of the September (1965) Plenum of the Central Committee of the CPSU and detailed in the resolutions of the Central Committee of the CPSU and the Council of Ministers of the USSR namely “On improvement of industrial management” under the date of 30 September 1965 and “On improvement of planning and enhancement of economic incentives of industrial production” under the date of 4 October 1965.

The content of the reform consisted of the return to sectoral management of the economy through the ministries, a substantial expansion of economic independence of enterprises and the enhancement of economic incentives of production. At the same time, according to the concept of the reform, the enhancement of the role of market relations in the economy had to take place in the conditions of further improvement of centralized planning, pursuing a unified state policy in the field of finance, prices, production credits and remuneration of labor.

Western scholars devoted a great deal of research and commentaries to this reform, which is quite understandable both in terms of the tasks facing the Western Sovietology at that period and in view of the expectations that this reform generated in our country and abroad in the first years of its implementation. The attention of foreign economists to the economic reform of 1965 was largely justified by the fact that it was possible to study the fundamental problems associated with the functioning of the Soviet type economy, to answer the question about the possibility of “peaceful coexistence” of elements of centralization and decentralization in the Soviet economic system.

A part of Western economists and historians, namely J. Berliner (Berliner J. 1971, p. 51), P. Gregory, R. Stuart (Gregory p., Stuart R. 1994, p. 342) associate the prerequisites for the economic reform of 1965 with external factors (in particular, with increasing of economy growth rate in Western countries), others, notably A. Wright (Wright, A. 1980, p. 118) focus on internal factors. The foreign literature
also raises questions about the ideological prerequisites of the 1965 reform, which are seen, in particular, in the erosion of socialist ideals in the post-Stalin period (Birman, I. 1980, p. 11).

There is no consensus among Western researchers on the socio-economic nature of this reform. The representatives of the left-wing historiography (Diskhut, W. 1974, p. 107) consider it to be the return to capitalism. Many Western scholars of both Marxist and non-Marxist directions do not agree with this point of view. As for the reformist potential of the “1965 turn”, different opinions were also expressed. Some scholars, notably A. Nove (Nove, A. 1969, p. 372), Y. Trotignon (Trotignon, Y. 1976, p. 213), J. Westwood (Westwood, J. 1993, p. 437) thought highly of it, considering that this reform established real market relations in the USSR economy. But most foreign analysts, namely I. Birman (Birman, I. 1980, p. 13), P. Gregory, R. Stuart (Gregory P., Stuart R. 1994, p. 345), K. Ryavek (Ryavek, K. 1975, p. 7) reasonably believed that it did not cause any drastic changes in the Soviet economic system and was rather conservative. In our view, the most adequate interpretation of the economic nature of the 1965 economic reform was given by K. Ryavek (Ryavek, K. 1975) and H.-H. Höhmann (Höhmann, H.-H. 1981) in their works. In their view, the reform concept was based on the model of the modernized economy with administrative planning that included elements of economic decentralization.

J. Berliner (Berliner, J. 1971, p. 51), A. Nove (Nove, A. 1969) substantiated the thesis about the fundamental incompatibility of the basic elements of the planning system and economic incentives introduced by the 1965 economic reform. As a rule, the causes of internal contradictions of this reform were seen in the impossibility of effective combination of the economic autonomy of economic units with centralized planned management. These authors also associated this contradiction with the differences between the conservative supporters of L. Brezhnev, on the one hand, and the supporters of market reforms, which united around A. Kosygin.

The opinions of Western researchers as for the question of the reasons for the failure of the 1965 reform are different. D. Dyker (Dyker, D. 1992, p. 54), K. Ryavek
(Ryavek, K. 1975, p. 4), J. Shapiro (Shapiro, J. 1980, p. 43) see them in the inner contradictions of the reform, others — in the resistance of conservative forces in the USSR itself. Many researchers, notably R. Davies (Davies, R. 1978, p. 112), associate the failure of the reform with the economic hardship it created. H.-H. Höhmann’s opinion (Höhmann, H.-H. 1981, p. 9) seems quite reasonable; according to it the reasons for the curtailment of the 1965 economic reform were not only economic difficulties, resistance to bureaucracy, but also the absence of a theory that explained the functioning of partially decentralized planning systems.

It is worth noting the fact that only some Western authors, such as I. Birman (Birman, I. 1980, p. 11) associated the failure of the 1965 economic reform with the refusal of the Soviet leadership to introduce private property in the USSR. It is quite rare to find the thesis that the positive potential of this reform was not realized because of the underdeveloped democracy in the USSR (Lagasse, Ch.-E. 1979). However, not all foreign researchers evaluate the results of the 1965 economic reform negatively. A number of authors such as D. Dyker (Dyker, D. 1992), R. Davies (Davies, R. 1978), K. Ryavek (Ryavek, K. 1975), H.-H. Höhmann (Höhmann, H.-H. 1981), J. Elleinstein (Elleinstein, J. 1977) recognize that many elements of the reform were quite logical and had a positive impact on the further development of the Soviet economy.

The merit of the Western authors in the context of this problem is the formulation and discussion of the prospect of the USSR disintegration. There are three main points of view to this problem. The first of these is that during the period under study, there were certain objective prerequisites for the USSR dissolution, which were manifested in economic nationalism, localism, strengthening of “national elites”, interethnic and interregional contradictions. Proponents of the second point of view believed that in the near future the dissolution of the USSR was unlikely, since the leadership of the country sufficiently took into account the interests of republics and regions and pursued the course of centralism strengthening. The third point of view was that in the medium and long term, both the integration and disintegration processes in the USSR could be strengthened.
Thus, foreign literature was dominated by the point of view that the USSR dissolution in the near future was impossible and, therefore, Western analysts couldn’t predict this process. However, they were in many ways right, pointing out that the main threat to the existence of the Soviet Union as a single state was related not so much to economic contradictions but to the interests of the “national elites”.

Thus, in the analysis of the development of the economic mechanism in the USSR in the second half of the XX century Western economists, as a rule, proceeded from the concepts of “centrally managed economy”, “Soviet type economy”, “command economy”. The central idea of many neoclassical and neoliberal interpretations of measures to improve the economic mechanism of the Soviet economy in the second half of the XX century was the provision about the impossibility of creating an effective economic mechanism in the USSR without giving up direct centralized planning and management. Many Western scholars argued for the existence of an inscrutable contradiction between economic independence of enterprises and centralism. Therefore, in their opinion, practically all measures for the economic mechanism reformation in the USSR during the period under study were logically contradictory. The economic reform of 1965 was not an exception. The problem of the contradictions of the economic reform of 1965, as well as other measures to improve the economic mechanism that took place in the USSR in 1965–1985, needs further research. The merit of Western scientists lies mainly in its specific formulation and the first objective attempts to solve it.
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